

India Walking a Tightrope

*A case study of the U.S. influence on India's
policies towards Iran*

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Abstract

In this thesis I have investigated the degree of U.S. influence on India's room of manoeuvre with regard to Iran. India has several incentives to maintain relations with both countries, but the U.S. wants India to help it isolate Iran. I have analysed three cases where India has been faced with the dilemma of having to deal with Iran while being subjected to U.S. pressure. I have assessed whether U.S. influence has been a decisive factor behind India's choice of policy towards Iran. The three cases that have been analysed are the votes against Iran in the IAEA in 2005 and 2006, the Iran—Pakistan—India Pipeline Project, and the developments linked to the North South Transport Corridor. A theoretical framework based on Samuel Bacharach and Edward Lawler's Dependence Approach and David Singer's Inter-Nation Influence model has been used to investigate the nature and the effects of U.S. influence. India's interests and concerns, which make up its room of manoeuvre, have also been identified, and function as control variables. The findings indicate that the U.S. has some degree of influence on India's policies towards Iran. U.S. influence attempts are more likely to be successful if the U.S. has a specific source of leverage; the U.S. commitment to its preferred outcome is undivided; there are alternative solutions to the issue in question that would bypass Iran; a small array of interests are involved and when the U.S. influence attempts are directed at reinforcing rather than modifying India's behaviour.

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All mistakes are my own.

Abbreviations

BJP: Bharatiya Janata Party

CPI: Communist Party of India

FDI: Foreign Direct Investment

IAEA: International Atomic Energy Agency

INC: Indian National Congress

IPI Pipeline Project: the Iran--Pakistan--India Pipeline Project

LNG: Liquid Natural Gas

MEA: Ministry of External Affairs (India)

MBTU: Million British Thermal Units

MMSCMD: Million Standard Cubic Metres of Gas a Day

MT: Million Tons

NAM: Non-Aligned Movement

NDA: National Democratic Alliance

NPT: Non-Proliferation Treaty

TAPI Pipeline Project: the Turkmenistan--Afghanistan--Pakistan--India Pipeline Project

TcF: Trillion Cubic Feet

UN: United Nations

UNSC: United Nations Security Council

UPA: United Progressive Alliance

WMD: Weapons of Mass Destruction

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1 Introduction

In this thesis I will investigate to what degree the U.S. influences India's policies towards Iran, or more specifically how the Indo—U.S. bilateral relationship affects India's room of manoeuvre and hence its foreign policy decisions concerning Iran. India is an up and coming great power in world politics. India is also involved in the struggle for power and influence in a multipolar and competitive Asian political environment, competing especially with China. India has to forge strategically important bonds to neighbouring countries, partly also to ensure supply of resources for further economic growth. One such country is Iran. India and Iran have a long history of amicable relations. Iran is also important to India because of its vast hydrocarbon resources and its strategic position as a transit country by the Persian Gulf. India therefore has several incentives to maintain existing ties with Iran and to develop new ones. Meanwhile, India has also been moving closer to the U.S. India has several motivations for cooperating with the U.S.; geopolitically, maintaining good relations with the world's sole superpower, and arguably still the predominant power in Asia, is important. The close ties to the U.S. give India international influence and leverage in relations to other powers.

What complicates the matter for India is that the U.S. and Iran are adversaries. The U.S. wants to isolate Iran, partly through imposing strict sanctions on the country, and it wants other countries, including India, to follow suit. This forces India to engage in a delicate balancing act between on the one hand pursuing its regional goals and beneficial policies towards Iran, and on the other hand ensuring that the relationship with the U.S. does not suffer. The question is how big a part the U.S. has played in the Indian foreign policy decisions that concern Iran. How successful has the U.S. been in its attempts to influence India's Iran related policies? The centre stage of today's power struggle is Asia; the region which is also the main focus of the U.S. foreign policy. The U.S. is still the world's most powerful country in terms of capabilities. Yet this power is not necessarily automatically translated into actual influence, especially when the use of hard power is not an option as is the case when it comes to the U.S. policies towards India. The source of influence rather lies in the Indo—U.S. bilateral relationship and the interdependence between the two countries.

In this thesis, I will therefore use a theoretical framework derived from bargaining theory which focuses on the interdependence between two countries as a source of leverage and influence. I will also define India's room of manoeuvre, meaning all the possible alternative

actions where the benefits outstrip the costs that India can commit in a certain situation. The room of manoeuvre is made up of India's interests and concerns. This is to get a more complete picture of what affects India's foreign policy and to control that there is not a spurious relationship between U.S. influence and India's policies towards Iran. To narrow the scope of the investigation, I will look at three cases concerning India and Iran which have represented dilemmas for India, who has come under pressure from the U.S. The three cases are the votes against Iran in the IAEA in 2005 and 2006, the developments of the Iran—Pakistan—India Pipeline Project and the North South Transport Corridor project.

My main motivation for conducting this investigation is that this is a very current topic that is theoretically understudied. Asia is the centre stage of today's power struggles and an important question in international politics is how the rise of great powers, such as India and China, will affect the global political system, especially with regard to the position of the U.S. To gain insights into the nature of Indian foreign policy thinking and the effects of U.S. influence is therefore valuable. There is plenty of empirical works written about India and its relationship with Iran and the U.S., but little research has been conducted that systematically applies theoretical frameworks to investigate cases. I wish to gain some unique insights into the dynamics and nature of the effects the Indo—U.S. bilateral relationship and the U.S. influence attempts have on India's policies towards Iran.

Research question and the outline of the thesis

In this thesis I wish to answer the following questions:

“To what degree has U.S. influence put constraints on India's room of manoeuvre when it comes to Iran? What explains India's actions with regard to the votes in the IAEA in 2005 and 2006, the Iran—Pakistan—India Pipeline Project and the North South Transport Corridor?”

In chapter 2, I will begin by giving an overview of the empirical background about India's foreign policy and its relations with Iran and the U.S. I will also identify some other factors that affect India's foreign policy and give a brief account of the three cases. The information provided will be relevant to the analysis. Next, I will outline the theoretical framework in chapter 3 and discuss the thesis' methodology in chapter 4. I will then analyse the three cases in chapter 5. In chapter 6, I will discuss the findings and answer the research question.

2 Background

2.1 India and its relationship with the U.S. and Iran

A brief history of India's foreign policy

During the last couple of decades, there has been a shift in the global distribution of power; from the West to the East. While the political system globally can still be described as unipolar, Asia is characterized by multipolarity. The powers of Asia compete for power, influence and resources. Amongst the great powers on the rise is India. India is the seventh largest country in the world, the second most populous and the world's largest democracy (Brzezinski, 2012, pp. 20, 162). It has one of the world's most powerful economies and highly professional armed forces, which have made India emerge as an entity that can help shift the global balance of power. In this changing political environment, India has struggled to define itself and comprehend its power capabilities as well as the possibilities and limitations of that power. Indian global thinking is characterized by a lack of consensus on a strategic framework that can structure its foreign relations (Pant, 2008, p. 1).

Modern India is also a rather young country, and this has put a mark on its foreign policy. After India's independence in 1947, the first Indian Prime Minister Jawaharlal Nehru of the Indian National Congress- party (INC) was the principal architect of Independent India's foreign policy. He sought to pursue an idealist foreign policy including support of multilateral institutions and constraints on defence spending, as well as a doctrine of nonalignment which entailed steering a diplomatic path free of superpower dominance. This was in accordance with India's experience of being a former colony; India would not limit its foreign policy options to alignment with either superpower. Nonalignment was also part of a moral stance against colonization and apartheid (Ganguly, 2010, p. 1). This commitment was demonstrated by India's leading position in the Non- Aligned Movement (NAM) (Brzezinski, 2012, p. 20).

Regionally, India's foreign policy has mostly centred on concerns over Pakistan, as well as China. India and Pakistan have fought several wars. The first one took place between 1947 and 1948, and left Pakistan in control of a third of Kashmir, and the second one in 1965 (Basrur, 2010, p. 13). In between these two conflicts, India fought a border war with China in

1962. India then fought another war with Pakistan to create an independent Bangladesh in 1975. More recently, Pakistan and India fought a war in Kargil in 1998 (Basrur, 2010, pp. 13, 23).

Indian foreign policy can be described to be most idealistic under Nehru. This was the first of three phases of Indian foreign policy, and lasted until 1962 (Ganguly, 2010, p. 1). The second phase, from the mid-1960s through the 1970s and 1980s, was characterized by intermittent realism and marked the beginning of the decline of INC hegemony. On the international stage, Indian foreign policy took a realist turn away from nonalignment as illustrated by the Indo-Soviet treaty of 1971 (Malone, 2011, pp. 49, 50). From 1991 and forward, following the collapse of the Cold War world order, there was a significant change in the direction of Indian politics. Poor economic policies had resulted in a severe balance of payment crisis and economic reforms were therefore implemented. This was accompanied by a new pragmatist era both domestically and externally for India where the idealist pretensions of former times were mostly discarded. This was also the case for the nonaligned, anti-western doctrine (Ibid, 2011, pp. 51, 52).

Accordingly, in the first decades after independence, the world's view of India was one of a country with strong moralistic opinions of world affairs, yet with limited influence. Two developments changed this perception: the first was India's development of nuclear technology which culminated in the testing of nuclear weapons in 1998. The second is the considerable economic growth in the beginning of the 90s after India implemented the liberalising reforms that resulted in a more dynamic economy (Brzezinski, 2012, p. 20). As India has moved from being a young, middle power to a rising state in the centre of the global system, it is being asked to become a stakeholder in a system that it has long been sceptical of (Pant, 2008, p. 2).

One of the big challenges India is facing today is precisely systemic. After the end of the Cold War, the international system became unipolar with the U.S. as the only remaining superpower. Scholars still by and large agree that the U.S. is still the current dominant power, but the system is in flux and the question is how long the U.S. will continue to have this status (Pant, 2008, p. 3). While the U.S. remains the predominant power in Asia - Pacific, the question is how long this will be the case considering the rise of China and India. The system in Asia is becoming more and more multipolar. It is in this political environment that India must find its way and confront the challenge of redefining nonalignment. How it handles its

relationship with the U.S., and with the regional powers, are central to what kind of power India will become (Pant, 2008, pp. 5, 6).

India's relationship with the U.S.

The U.S. is increasingly important to India, but the amicability between the two countries is relatively new. During the Cold War, India was leaning towards the Soviet Union. When the Cold War became a fact, India was quick to proclaim Nonalignment, but its adversary, Pakistan, entered into an alliance with the U.S. which worried India. During the 1960s and 1970s, India started tilting towards the Soviet Union which resulted in the Treaty of Peace, Friendship and Cooperation signed in 1971 (Scott, 2011, pp. 243, 244). After the end of the Cold War, India had to reorient itself to the new unipolar world order (Malone, 2011, p. 164; Scott, 2011, p. 245).

President Clinton started making the first steps towards rapprochement and the bilateral relationship has since increasingly improved, albeit with the occasional setbacks such as India's nuclear tests in 1998 (Scott, 2011, p. 246). In 2005, the two countries announced a strategic partnership covering "economy, energy security, democracy promotion, defence cooperation, and high technology and space cooperation" (Malone, 2011, p. 169). There are both economic and political factors that explain the newfound relationship. Economically, India's trade with the U.S. grew dramatically after the economic reforms of the early 1990s. American investors accounted for 19 per cent of Foreign Direct Investment (FDI) in India between 1991 and 2005 (Ibid, pp. 164, 165). Between 2008 and 2012, U.S. FDI inflows in India accounted for \$32.19 billion (The World Bank, N.D.). Politically, the new bilateral relationship was facilitated by the Indian transition from a de facto one-party system to a more fragmented multi-party system and thus the opening up to new voices in foreign policy formulation. India also discarded its anti-western, nonaligned ideology in favour of a more pragmatic approach (Malone, 2011, p. 166). In addition, India and the U.S. share some common political values both being liberal democracies. India is now an integral member of the U.S. global promotion of democracy initiatives (Malone, 2011, p. 171, 172).

The Indo—U.S. relationship is also influenced by the rise of China which brings great uncertainty to the region. China is the biggest challenge to U.S. primacy in the region (Pant, 2008, p. 5). After the Cold War, the U.S. lost the strategic incentive that had existed during the Cold War to cooperate with China against the Soviet Union. China had instead become

the main rival to the new unipolar, American world order (Scott, 2011, p. 246). By tying bonds to China's closest neighbours, the U.S. could acquire a strategic hedge. A robust relationship between the U.S. and India can therefore lessen the chances that China could dominate the future of Asia (Levi & Ferguson, 2006, pp. 8, 9). To India as well, China is regarded as the most likely competitor for influence in Asia and in the world (Pant, 2008, p. 13). Having good relations with the great powers is important to India if it is to realise its ambitions of increasing its international leverage and gain leverage with other powers such as China (Andersen, 2010, pp. 23, 24). .

A testament to India's and the U.S. closer bonds is the Indo—U.S. Nuclear Deal. The deal was based on a strategic decision made by the Bush administration: “a stronger U.S.-Indian relationship would greatly improve America's position in Asia and the world, but American barriers to nuclear cooperation made stronger U.S.-India ties much harder to achieve” (Levi & Ferguson, 2006, p. 9). On the 18th of July 2005, President George W. Bush and Indian Prime Minister Manmohan Singh issued a joint statement declaring “their resolve to transform the relationship between their countries and establish a global partnership” (The White House, 18.07.2005). The parties emphasised their common democratic values and commitment to the fight against terrorism. The statements also contained commitments to working together on achieving energy security, development in countries seeking assistance, working together on high-technology and space and on preventing nuclear proliferation. President Bush expressed his appreciation over India's work to prevent proliferation of weapons of mass destruction (WMD) and stated that India should have the same benefits and right as other responsible states. Bush told Singh that he would work to achieve full civil nuclear energy cooperation with India as it would realise its goals of promoting nuclear power and achieving energy security. “The President would also seek agreement from Congress to adjust U.S. laws and policies, and the United States will work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India (...)” (The White House, 18.07.2005).

On the 2nd of March 2006, President Bush and Prime Minister Singh signed an agreement on civil nuclear cooperation. A requirement for the deal was that India would separate its military and civil nuclear facilities and develop safeguards with the IAEA for the Indian nuclear industry. However, before the deal could be ratified, the U.S. Congress had to accept the agreement (USA Embassy, 02.03.2006). The bill, that would set the stage for the Nuclear

Deal being signed into law, was passed by the U.S. House of Representatives on the 28th of September in 2008 (Rajghatta, 29.09.2008). A few days later, on the 1st of October, the bill passed through the Senate (Rajghatta, 01.02.2008). The Deal was however met by considerable domestic opposition in India and has not yet been fully implemented (Business Standard, 11.05.2013).

India's relationship with Iran

India has close ties to Iran. Both countries are ancient civilizations that have had a continuing close relationship. Throughout history, they have influenced each other when it comes to cultural affinities, traditions, values, art, culture and language. After the end of the Cold War, the two countries saw an opportunity to upgrade their relations. During the 1990s, both countries started to redefine their foreign policy priorities to the new political environment. India and Iran started a process of rapprochement (Pant, 2008, pp. 113, 115). Indo-Iranian interests have converged on a number of issues; energy, terrorism, commerce and strategy etc. This has resulted in two bilateral agreements: the Teheran declaration in 2001 and the Delhi declaration in 2003 (Cheema, 2010, p. 384).

An important aspect of the Indo-Iranian relationship pertains to energy security and trade in oil and gas. As the Indian population and economy have grown, the same have India's energy needs. This plays a crucial part in the Indo—Iranian relationship. Iran wishes to sell its oil and gas resources and India wishes to buy it. India's economic growth will require it to at least triple its primary energy supply (Cheema, 2010, p. 385). India itself only has 0.4 per cent of the world proven oil reserves and 0.6 per cent of the world's gas reserves. Imports are therefore necessary. Iran is India's second biggest oil supplier. In addition, three Indian companies (IOCL, OIL and OVL) hold exploration rights in the Farsi offshore field. India also imports Liquid Natural Gas (LNG) from Iran. In 2005, the two countries signed a deal on LNG exports from Iran according to which Iran would supply 7.5 million tons (mt) of LNG by 2015. This was later reduced to 5 mt (Madan, 2010, pp. 4, 13).

India and Iran also share concerns about the future of Afghanistan after U.S. withdrawal and the prevention of the Taliban taking control again (Pant, 17.02.2012). India and Iran were both concerned about Pakistan's control of Afghanistan via the Taliban regime and neither countries established diplomatic contacts with the Taliban (Pant, 2008, p. 117). Both countries were also supporters of the Northern Alliance in Afghanistan. The Northern Alliance was

made up of various ethnic groups united to fight against the Taliban in Afghanistan. India had previously supported the Soviet-backed regime of Mohammed Najibullah in Afghanistan who was executed by the Taliban in 1996 (Symon, 19.09.2001; Thottam, 11.04.2011). India and Iran have also set up a joint working group working to enhance security and prevent terrorism and share intelligence on Al-Qaeda activities (Pant, 2008, p. 117).

U.S. influence

A constraint on the Indo—Iranian relationship is the U.S. The U.S. has a history of hostility towards Iran since the toppling of the U.S.-backed Shah in the 1979 Iranian revolution (Mooney, 17.07.2012). The Shah had previously been restored to power in 1953 after the U.S. had played a significant role in the coup of the democratically elected Premier Mohammed Mossadeq. The repression and corruption that characterized the Shah's regime was inextricably linked to the U.S. and many Iranians looked to Ayatollah Khomeini for leadership. Khomeini opposed the Shah and referred to the U.S. as the 'Great Satan'. After the revolution in 1979, Khomeini became the new leader of Iran (TheRobertS.StraussCenter, 08.2008). The U.S. and Iran do not have diplomatic ties (Mooney, 17.07.2012). Over the years, the U.S. has imposed a number of increasingly strict sanctions on Iran (U.S. Department of the Treasury, N.D.) The U.S. especially wants to prevent Iran from acquiring nuclear weapons, which it considers one of the gravest threats to international security. Through the sanctions, the U.S. seeks to penalise and isolate Iran for allegedly failing to comply with its international obligations to suspend uranium enrichment (USA Embassy London, N.D.).

The U.S. has expressed intentions of helping India become a major power, but has at the same time continued to pressure India to help it isolate Iran both politically and economically (Temple, 2007, p. 36). The extent to which the U.S. can constrain the Indo—Iranian relationship, is partly a question of the degree of U.S. influence over India's foreign policy towards Iran. It is also a question of the degree to which the U.S. plays a part in India's assessment of the costs and benefits of various foreign policy options, even if the U.S. has not made an explicit influence attempt. Scholars agree that the U.S. remains the dominant power in the world both militarily, economically, technologically and culturally. Joseph Nye has argued that the present unipolar system has led to a transformation in the nature of power, from hard power to soft power, which gives the U.S. a unique advantage in the current

international system (Pant, 2008, p. 4). If and how the U.S. is able to transform these material aspects of power into real influence, or successfully use soft power, is however more uncertain, at least in the case of India where the use of hard power is not considered an option. In the next chapter I will outline theoretical perspective on bargaining and influence and see how these theoretical tools can be used to analyse the degree of U.S. influence on India with regard to Iran. First I will identify some of the other factors that are likely to influence India's foreign policy decision with regard to Iran. I will also look briefly at the three cases that will be analysed in the thesis.

2.2 Other factors that influence India's foreign policy

To assess the affect U.S. influence has on India's foreign policy, or on India's room of manoeuvre, one need to consider the other factors that might have influenced India's decisions with regard to Iran. Otherwise one might wrongfully attribute India's actions to be a product of U.S. influence when in fact other variables have also played a part. A state's room of manoeuvre is a space that contains all the possible actions a state can take in a situation within a certain period of time. A possible action constitutes an action were the positive consequences of the action outstrip the negative ones. A cost- and benefits analysis is therefore a central tool in determining a state's room of manoeuvre. To choose an action that lies outside the room of manoeuvre is not considered a possibility, as the negative consequences, such as adverse reactions from other countries, would be too large (Knutsen et al., 2000, p. 35). I will elaborate on the concept of room of manoeuvre in the theory chapter.

Resources

Having more than a billion inhabitants, India has a great need for resources. Rapid economic growth has resulted in booming energy consumption. Energy security has therefore risen to the top of the agenda in Indian economic and foreign policy. India's own energy resources are not sufficient to meet the country's needs (Pant, 2008, p. 10). Many policymakers in India believe that without a reliable and affordable energy supply, India will not be able to maintain a high growth rate across all sectors of the economy (Madan, 2010, p. 5). The search for energy has increasingly brought India into competition with China. China is way ahead of India in securing energy interests (Pant, 2008, pp. 10, 11). Between 2005 and 2030 India and

China will account for nearly half of the increase in the world's energy demand with India's demand increasing faster than China's (Madan, 2010, p. 4) One can therefore assume that India's diplomacy will continue to focus on energy security in the foreseeable future (Pant, 2008, pp. 10, 11).

To ensure access to resources and secure a vital economy is also important in relations to Pakistan. Nuclear weapons and economic interdependence between the two countries pose strains on the use of traditional power, but economic power also enables a country to exercise influence on others. While India has emerged as a great economic player, Pakistan's economy has struggled to keep its head above water (Basrur, 2010, p. 17). This gives India an important upper-hand. Resources, and especially energy resources, is therefore bound to be taken into considerations by Indian decision-makers when dealing with energy exporters such as Iran.

Regional concerns

Pakistan is one of the countries that India is most concerned about and it plays a large part in Indian foreign policy decisions. Relations with Pakistan have been troublesome with numerous bilateral disputes (Malone, 2011, p. 62). Pakistan also possesses nuclear weapons (Basrur, 2010, p. 17). During the Cold War, India and Pakistan took different sides; Pakistan was allied with both the U.S. and to some degree China, while India eventually sided with the Soviet Union (Ibid, p. 13). The Pakistan—U.S. alliance led to Pakistan receiving billions of dollars in military aid, much of which was used in conflicts with India. Between 2003 and 2007, there was a peace process between Pakistan and India that superficially improved relations, but internal events and regime change in Pakistan, as well as a number of Pakistan-linked terrorist attacks on Indian Territory soured the relationship again (Malone, 2011, p. 62). Especially the attacks in Mumbai in 2008 led to increased tensions. The terrorists had links to Pakistan and were responsible for the deaths of 165 people. The attacks caused the Indian Government to pause the bilateral composite dialogue process between the two countries (Kronstadt, 2008, pp. 1, 2, 9). They also led to calls for increased anti-terror cooperation between India and the U.S. Among the victims of the attacks were six American citizens (Ibid, pp. 1, 17).

The U.S. is a relevant part of the concerns about and competition with Pakistan. The U.S. and Pakistan have a history of alliances, cooperation and military aid, which have had negative

consequences for India. Having the U.S. cooperate more with India and less with Pakistan is thus in India's interest.

Concerns about China also affect India's foreign policy. The two countries have a long history of tense relations. In 1962, China and India fought the aforementioned border war, where India suffered a defeat. The dispute remains unsolved. Another thorn in the side of the bilateral relationship is Tibet. In 1959, India gave asylum to a fleeing Dalai Lama (Malone, 2011, p. 63). China is also one of the great competitors to India for global power and the race for wealth, energy and resources. While India has experienced considerable economic growth the last couple of decades, China implemented economic reforms earlier and its economic growth has exceeded India's by two or three per cent every year. In 2010, China's economy was roughly three times the size of India's. This has resulted in significant Chinese military investments (Ibid, p. 63). India is also worried that China has a strategy of encirclement in Asia, the so called 'string of pearls' (Panda, 2006, p. 100). China is in the process of building several port facilities in the Indian Ocean, such as Gwadar in Pakistan, Chittagong in Bangladesh, Hambantota in Sri Lanka and Bandar Abbas in Iran (Malone, 2011, p. 64). The competition with China is to a large degree a subject of the future. However, as a rising power India must think long term and China plays an important part in India's considerations with regard to on-going projects such as the North South Transport Corridor and to some degree also the IPI pipeline project. I will elaborate on this in the analysis of the two cases.

Domestic concerns

Indian domestic concerns and the nature of the Indian polity and political establishments influence Indian foreign policy. India is the world's largest democracy and the world's second most populous country. It is also ethnically, culturally and religiously heterogeneous, which plays an important part also when it comes to the external dimension of Indian policy. Sub-national Indian groups often have sympathies with similar groups outside of India (Malone, 2011, p. 59). India has a large Muslim population and this affects India's foreign policy towards Muslim countries such as Iran (Fair, 2007, p. 152). A minority of the Indian Muslim population is Shiite. India has the second largest Shiite population in the world after Iran, who has the largest Shiite population, and Islam has been a bridge between Iran and India (Roy, 05.12.2008). In contrast to Shiite populations in other countries, the Shiites in India are economically and socially ahead. They do not vote in herds and some Shiites have started

voting for conservative opposition parties such as the Bharatiya Janata Party (BJP) (Iyer-Mitra, 22.02.2012). In general, Indian politicians have to be sensitive to the heterogeneity of the Indian polity to preserve Indian unity. This has not always been easy, and India has had several problems with ethnic and religious uprisings and secessionist movements (Malone, 2011, p. 59). With regard to the Shiite minority, the Government might be at risk of driving the Shiite voters into the arms of opposing parties if it makes unpopular policies towards Iran.

The Indian heterogeneity has also made a mark on the parliament and Government-constellations. During the first few decades after independence in 1947, the INC had almost monopoly on the power. Widespread poverty and the feeling of being overlooked made many Indian groups mobilise politically to gain more power on the national stage. This weakened the INC and made it necessary for the party to form coalitions in order to form Government (Malone, 2011, pp. 52, 53, 54). The INC lost an election for the first time in 1977 to the Janata Party. Since then, and especially after 1989, the party system has become increasingly fragmented (Sridharan, 2010, pp. 117, 119). After 1989, the Hindu nationalist BJP experienced a considerable rise in votes and won the election, together with a number of allies in the National Democratic Alliance (NDA), in 1998 (Malone, 2011, p. 124). The fragmented nature of modern, Indian national politics have made the Governments' hold on power more uncertainly, thus making it increasingly difficult to make quick and effective foreign policy decisions and actions, as the Government parties must take the opposition into account. The political fragmentation has also made it possible for regional parties to hold the national Government hostage on important political issues; in 2008, internal political differences threatened to prevent India from capitalizing on the Nuclear Deal with the U.S. when Prime Minister Singh was subjected to a vote of confidence (Ibid, p. 55)

2.3 The three cases

India's votes on Iran's nuclear program

The Iranian nuclear program has posed a serious dilemma for India. Iran's nuclear program has been under increased international scrutiny after the existence of the Iranian Natanz uranium enrichment plant was revealed in 2002 (Rajiv, 2011, p. 819). Iran insists that its nuclear developments are strictly for peaceful purposes, yet Iran has been accused of using the

technology to develop nuclear weapons capabilities. This has resulted in a series of sanctions against Iran (Alam, 2011, p. 37).

Iran has signed the Non-Proliferation Treaty (NPT) and is a member state of the International Atomic Energy Agency (IAEA). In 2003 it also signed the NPT Additional Protocol on Nuclear Safeguards and promised to freeze all uranium enrichment. While Iran has generally been cooperative with the IAEA, some IAEA members, primarily the U.S., have accused Iran of having a clandestine nuclear weapons program. Iran has been accused of noncompliance with several IAEA safeguards obligations. In 2005, Iran announced that it would lift the freeze on uranium enrichment (BBC, 08.08.2005).

On the 24th of September 2005, the IAEA adopted a resolution on the implementation of the NPT Safeguards agreement in Iran (IAEA, 24.09.2005). The resolution found that Iran's breaches were in non-compliance with the NPT safeguards agreement (Acronym, 24.09.2005). Later, in January 2006, Iran notified the IAEA that it would resume the work on the peaceful nuclear energy program and removed the IAEA seals from enrichment equipment in at least three nuclear facilities. These actions, which were in non-compliance with the NPT Safeguards, led the five permanent members of the UN Security Council (UNSC) and Germany to persuade the 35 member IAEA Board of Governors to report Iran to the UNSC (Alam, 2011, pp. 42, 43). A resolution was passed on the 4th of February by the IAEA Board of Governors on referring all the reports and the resolutions adopted on Iran to the UNSC (IAEA, 04.02.2006).

The Iran—Pakistan—India Pipeline Project

Another issue that has placed India in an awkward position between the U.S. and Iran is the Iran—Pakistan—India Pipeline Project (IPI Pipeline Project). The project grew out of plans in the late 1980s to transport natural gas from the Arab peninsula through pipelines to the Asian market. One such pipeline was proposed from Qatar through Iran into Pakistan. Iran later introduced the idea of extending the line from Pakistan to India. The U.S., wanting to isolate Iran, has opposed the pipeline (Temple, 2007, p. 36). Another major obstacle has been the conflict prone relationship between India and Pakistan. In 1995 a preliminary deal between Iran and Pakistan was signed, but a deterioration of the Indo-Paki relationship made an extension into India highly improbable. Not until 2003-2004 did the tensions mellow and negotiations between the three countries revived. In 2005 the intentions to realise the pipeline

project was declared. Since then, bilateral meetings between Iran and Pakistan and India have been held regularly (Basit, 2008, pp. 12- 14). India did however start to pull away from the project and has admitted that it is on the backburner (The Hindu, 19.10.2009). Iran has accused India of abandoning the project and stated that it does no longer hold talks with India on the pipeline. Still, India has never officially put the project off the table (The Express Tribune, 24.08.2011).

The North South Transport Corridor

Another important motivation for India to maintain relations with Iran is Iran's potential as a transit country to the important region of Central Asia. India is constantly trying to make connections with its extended neighbourhood which it has framed in its 'look west'- and 'look east'- policies. To realise Iran's potential, India and Iran have been working to develop various sea, land and rail projects to link India via Iran to Central Asia and Europe (Singh Roy, 2012, pp. 957, 958). One of these projects is the Chabahar port¹, which India assisted in developing. Apart from the economic incentives linked to the development of the port, the project also has strategic motivations as a counter-move to China's 'string of pearls' strategy and the development of the Gwadar port (Jaffrelot, 07.01.2011). Despite U.S. opposition, India has moved ahead with the developments and use of the Chabahar port (Bedi, 01.03.2012; Dikshit, 31.05.2012).

The NSTC developments have been evolving over several years. In 1995 a trilateral meeting between India, Iran and Turkmenistan was held on the use of Iranian and Turkmen territories for trade and transit. On the 12th of September 2000, Russia, Iran and India signed the International North South Transport Corridor agreement. Over the years, several countries have joined in on the agreement and the NSTC now has 11 new members² (Singh Roy, 2012, pp. 961, 962). In 2003, India, Iran and Afghanistan signed an agreement on building a road from the Chabahar port to Afghanistan (Prashad, 28.08.2012). On the 18th of January 2012 in New Delhi, a meeting on modalities for moving forward with the project was held (Ibid, p. 963).

¹ See Image 1 in the Appendix

² Azerbaijan, Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Ukraine, Belarus, Oman and Syria with Bulgaria as observers.

3 Theory

The research question of this thesis is: *“To what degree has U.S. influence put constraints on India’s room of manoeuvre when it comes to Iran”*. In order to answer this question, I will examine: *“what explains India’s actions with regard to the votes in the IAEA in 2005 and 2006, the Iran—Pakistan—India Pipeline Project and the North South Transport Corridor?”* I will assess what makes up India’s room of manoeuvre and how the dynamics of the India—U.S. relationship and India’s perceptions and predictions regarding this relationship affects India’s room of manoeuvre. In this chapter I will first discuss relevant theoretical contributions from bargaining theory, and then outline the aspects that are assumed to make up India’s room of manoeuvre. Much theoretical work has been conducted about relations between states and what occurs when states have conflicting interests. Bargaining theory focuses on situations where states, or other actors, meet over some issues and the exchanges that occur between the parties. Often the issues in question are conflicts where the use of military force is a possibility and the exchanges between the states are taking place in the form of formal negotiation.

In my thesis the inter-nation exchanges and the issues in question are not so clear-cut. I rather wish to see how one state (India) has to take another state (the U.S.) into consideration when dealing with a subject or issue (Iran). India’s perceptions, past experiences and predictions regarding the U.S. future behaviour are therefore central. As in much of the bargaining and negotiation literature, diplomacy, power, threats etc. are also important concepts in this investigation, but the cases that are explored in this dissertation do not take the form of formal negotiations in a situation of conflict where the use of military power, or even sanctions, is a possibility.

Nevertheless, the importance of the U.S. to India and India’s predictions of the costs and benefits of alternative actions regarding the Indo—U.S. relationship is bound to influence India’s actions and thus help determine its ‘room of manoeuvre’. Interactions and exchanges between the two countries are assumed to affect India’s perceptions and predictions, and bargaining theory can give some valuable insights and analytical tools. India’s foreign policy towards Iran is determined by much more than just its relationship with the U.S. India’s other interests, concerns and relationships also matter. Combinations of these interests, and the constraints they have on India’s alternative actions, make up India’s room of manoeuvre. In

order to assess how much the U.S. has affected India's room of manoeuvre, these other aspects must also be taken into account. In this chapter I will therefore give an overview of relevant theoretical contributions from bargaining theory as well as outline assumptions of what makes up India's room of manoeuvre. These theoretical contributions can help focus the scope of the investigation and shed light on the findings in the analysis.

3.1 Bargaining theory

3.1.1 Power and bargaining

Samuel Bacharach and Edward Lawler (1981) (B&L) hold that when two or more parties experience a conflict of interest, and when both wish to resolve this conflict because doing so would be mutually beneficial, then they decide to bargain. The bargaining process is one of social interaction where each party tries to maximize its gains and minimize its losses (Bacharach & Lawler, 1981, p. xi). In the case of India and the U.S. there is a conflict of interest between India's interests in maintaining and developing ties with Iran and the U.S. aversion against this. There is a social process surrounding this, even though India and the U.S. might not formally sit down at the 'bargaining table' to resolve this. The two authors treat "bargaining actors as conscious decision makers who think about what they are doing and act in accord with their perceptions. Bargaining is based on the premise that bargainers analyse any bargaining setting in terms of bargaining power" (Bacharach & Lawler, 1981, p. x).

Power is a central concept in B&L's bargaining theory and they present three definitions or approaches to power: The first is power measured by results, or in other words, power as influence. The second approach is power as a potential. Here, power is a resource that may or may not be used. Power is a structural element between two parties who wish to influence each other. Empirical indicators of potential bargaining power can be devised independent of the actual bargaining outcome (Bacharach and Lawler 1981, pp. 43, 45). The third approach is power as a tactical action and involves actual use of power. This approach differs between actual and potential power and views potential power in terms of power tactics. Such tactics can be threats, promises, bargaining toughness etc. Tactical power becomes an intervening variable between potential bargaining power and bargaining result (Ibid, p. 46).

B&L emphasise the importance of differing between objective power and subjective power. The objective part of power becomes important only if it is translated into tactical action. The parties' actual power is often seen as a consequence of actual, physical capabilities, but this overlooks the parties' ability to manipulate the perception of power (Bacharach and Lawler, 1981, pp. 48, 49). It is the subjective type of power which takes perceptions into account that will be used in this thesis. The kind of power, or ability to influence, that is relevant in this study is linked to the parties' interdependence and the future of the bilateral relationship as described in the Dependence Approach to power outlined in the section below. It is subjective in the sense that it is not the states' physical capabilities that determined their ability to influence. Rather, influence occurs when the influencee perceives and assesses the possible consequences potential actions have on the future of the bilateral relationship and in turn when these assessments affect the policy outputs.

3.1.2 The Dependence Model

B&L have proposed an explanatory model of power perception that explains how much power the parties actually have in a situation of conflict called the Dependence Approach. I will refer to this approach as the Dependence Model. The basic assumption behind this model is that there is a conflict of interest. Dependence refers to the degree the parties have a stake in the bargaining relationship; high stakes indicate that the parties attribute considerable importance to maintaining the bargaining relationship. The parties thus have an interest in how the general relationship between them develops in the future. The dependence variable is however not constant and can be manipulated objectively or subjectively in the course of the bargaining process (Bacharach & Lawler, 1981, pp. 52, 59).

In the Dependence Model, one party, A's, power depends on the other party, B's, dependence on A and vice versa. There are two more specific dimensions of dependence: "the degree to which parties have alternative outcomes and the degree of commitment to the issue" (...) "therefore, four variables are essential to an analysis of bargaining power: A's alternatives, B's alternatives, A's commitment and B's commitment" (Bacharach & Lawler, 1981, p. 61). The first dimension concerns whether the relationship between the parties is highly valued and whether there are no alternative relationships. The second dimension, the degree of commitment of the parties, is not about tactics but rather a commitment to the outcome or the issue at stake. When it comes to bargaining power, commitment can go both ways (Børresen,

2011, p. 41). If state A wants to achieve something in a bargain, and state B perceives that A wants this at any price, then A's bargaining power is weakened. If A, however, manages to signal that it is not that committed to the outcome of the issue, then it has a stronger bargaining position (Ibid, p. 42).

The focus on degree of dependence as the source of power is consistent with Habeeb's (1988) notion of 'Issue-Specific Structural Power'. Habeeb holds that, in a bilateral relationship, in a specific situation, the actor that is the least interdependent is often the strongest in the bargaining situation, even if that actor is materially weaker. "A less dependent actor in a relationship often has a significant political resource, because changes in the relationship will be less costly to that actor than to its partners (...) It is clear that different issue areas often have different political structures that may be more or less insulated from the overall distribution of economic and military capabilities" (Habeeb, 1988, p. 19).

Several aspects of this are relevant to this thesis' analysis, especially the focus on perceptions. The focus of the dissertation is on the perceived possibilities and constraints that make up India's room of manoeuvre. There might be changes in India's perceptions and predictions, and hence its room of manoeuvre, as a result of the U.S. bargaining tactics and India can apply similar tactics to manipulate the U.S. perception of the situation. When applied to the case of India and the U.S. conflict of interest over Iran, the concept of power and bargaining are widely defined. As mentioned, the bargaining in this case may not be of the formal, "sitting around the bargaining table"-kind, but rather more informal social interaction. When it comes to potential power, using military action to influence the outcome is not an option in this case and the use of harsh economic sanctions etc. is not plausible either. Rather, power is more linked to the parties' future relationship where both parties have an interest in preserving good relations with each other.

Tactics here could be to signal that an action by the other state would be at a cost to the future relationship while downplaying the importance one assigns to the preservation of the relationship. In this way one can influence the other party to not commit the action. When your dependency on the other party is what gives the other party power, then credibly appearing to be less dependent lowers the other party's power over you. Hence, if the U.S. perceives that its relationship with India is of considerable importance to the Indians, the U.S. can signal that by tying bonds with Iran, India puts the future of the Indo—U.S. relationship in danger. If India perceives this, then India might be influenced into refraining from

approaching Iran. India might try to downplay the importance of the Indo—U.S. relationship to avoid such influence attempts. If the U.S. has information that leads them to believe that the relationship is indeed important to India, then the Indian manipulation attempt might have low credibility. This also depends on how important the relationship is to the Americans and whether it has alternatives; if the importance and dependence on the relationship is much lower for the Americans than for the Indians, then the U.S. might ignore Indian tactics and go through with its own.

The U.S. power is thus dependent on India's dependence on the U.S. and vice versa. In the analysis, I will therefore examine the nature of the relationship in relation to the two dimensions in the Dependence Model namely the degree to which India and the U.S. have alternative outcomes or relationships, and the degree of commitment to the issue. I will also look at any actual bilateral exchanges that have occurred between the two countries. The general issue in question is India's bonds to Iran but U.S. and India's future relationship is also part of the bargaining. The more specific issues will vary with regard to the different cases, but all involve India's dilemma over whether to abide by U.S. wishes or act in favour of Iran.

When it comes to the first dimension, the question is if there are, for both or one of the parties, alternative sources of solution to the conflict other than through the relationship with the other party. When applied to this case, the question is if India can stand to suffer the cost a defiant action might have on the future of the Indo—U.S. relationship. For the U.S., the question is if the U.S. can afford to penalise India, or sacrifice elements of the bilateral relationship if India acts defiantly, because it has alternative and similar partners in Asia. I will also look at alternative solutions or actions to the issue in question; if India can choose an alternative course of action that would bypass Iran and hence solve the conflict of interest. The second dimension is the parties' commitment to the issue. With regard to India, this means how important the bonds with Iran are and how much it is willing to fight to preserve these bonds. To the U.S., its commitment regards how important it is to the country that India cuts its ties with Iran or refrains from tying any new bonds.

In all of these assessments it is important to keep in mind that the focus on the analysis is on India and India's strategic thinking and policy output. The U.S. power, tactics, values etc. is only relevant in light of India's perception of these. If U.S. tactics appear to not be registered by the Indians, then the tactics are not relevant to the analysis.

3.1.3 Inter—Nation Influence

When it comes to the ability to exert influence, J. David Singer's (1963) Inter-Nation Influence model can be used as an analytical tool. This can give some insight on the nature of the interactions that take place. Singer wishes to clarify the concept of power, defined as the capacity to influence, and investigates what happens when national power is brought into play when states meet for negotiations in attempts to influence each other. For this purpose he has developed a "formal analytical model of inter-nation influence" (Singer, 1963, p. 420). The model is not meant to be a theory, nor a systematic search of an historical past from which we can draw empirical generalizations, but rather a model in a more modest sense. Singer lists a number of central concepts and discusses the linking of them (Ibid, p. 420).

He starts by making some preliminary observations. The first is that influence attempts are 'future-oriented', all influence attempts are directed to the future. Past and present behaviour will have an effect on an actor's prediction of another's future behaviour, but the actor obviously cannot do anything to control this behaviour (Singer 1963, p. 420). Singer's second observation is that the purpose of the influence attempts may or may not be to influence the other actor's behaviour. He points to a tendency in political science to define influence as attempts to modify another's behaviour, but lists three objections to why this is a too restricted definition.

The first objection is that it excludes influence attempts that are directed at reinforcing behaviour rather than modifying it. The second objection is that it implies that one actor (actor A) can predict with high certainty what the other actor (actor B) will do in absence of an influence attempt. If this was the case then reinforcement of behaviour would be unnecessary and actor A would only attempt to influence actor B if behaviour modification is the goal. However, such a certainty in prediction is rarely the case. Hence, A will seek to ensure against an error in its predictions. This is connected to the final objection which is that an actor can never be absolutely certain in its prediction of another actor's future behaviour, and thus there will always be an incentive to exert influence. The more certain or uncertain one actor is, the bigger the incentive is (Singer, 1963, p. 421). This leads to the third difficulty or objection which is the "probabilistic nature of all predictions" (Ibid, p. 421). There will never be absolute certainty in one's predictions of another actor's future behaviour, and thus there will always be an incentive to attempt to influence (Singer, 1963, p. 421).

A third observation is that this is not a one-way affair; while actor A attempts to influence actor B, actor B also has an impact on actor A. The classification of actor B as a potential influencee itself immediately leads to some influence of B on A (Singer, 1963, p. 421). In his final observation Singer distinguishes between influence attempt and influence outcome:

An influence attempt is described in terms of:

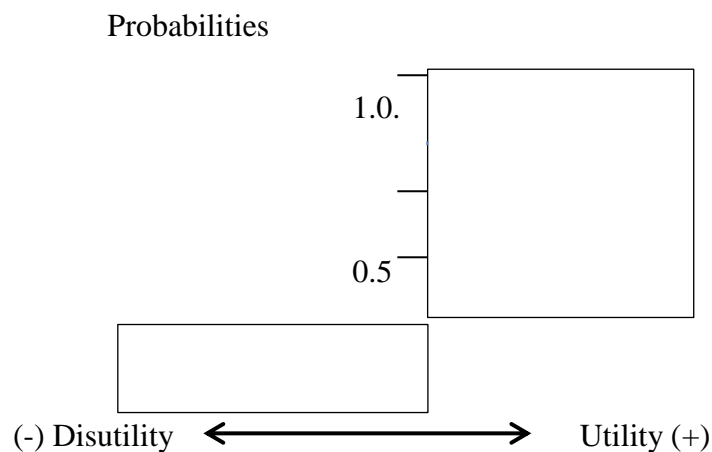
“a) A’s prediction as to how B will behave in a given situation in the absence of the influence attempt; b) A’s preference regarding B’s behaviour; and c) the techniques and resources A utilizes to make (a) and (b) coincide as nearly as possible. An outcome of such an attempt will be a function not only of (c) above, but also (d) the accuracy of A’s prior prediction; (e) B’s own value, utility, or preference system; (f) B’s estimate of the probabilities of various contemplated outcomes; (g) B’s resistance (or counter-influence) techniques and resources; and (h) the effects of the international environment” (Singer, 1963, p. 422).

Singer then lists the prerequisites for an influence attempt to take place. The first one concerns the level of interdependence between two actors. An influence attempt might take place if A perceives that A and B are in a relationship of significant interdependence and the actions of B might thus be either harmful or beneficial to A. Since no country has the resources to attempt to exert serious influence on great many other countries at once, states concentrate their efforts on countries of perceived importance (Singer, 1963, p. 423). The second prerequisite is A’s predictions regarding the nature of B’s future behaviour. What will B do in the absence of a serious influence attempt? Finally, there is A’s preference concerning B’s future behaviour (Ibid, p. 423).

The question then becomes what combining these three variables — perception, predictions, preference — will produce. What are the possible combinations and what effects do they produce regarding: a) the motivation to carry out an influence attempt, b) the relative amount of effort required for the attempt to be successful, and c) the choice of instruments and techniques to carry out the influencing attempt? The influence attempts are either directed at persuasion or dissuasion: persuasion means that actor A wants actor B to commit a certain action. Dissuasion means that actor A wants actor B to refrain from committing a certain action (Singer, 1963, p. 424).

The influencee's (actor B) calculations about the range of conceivable outcomes in any influence situation must also be taken into account. In this thesis, the main focus will be on the influencee, India. The degree to which B likes or dislikes these possible outcomes are called *utility* or *disutility* and the likelihood B assigns to the prospects is called *probability*. These are thus the preferences and predictions of the influencee (B) as illustrated in the figure below:

Figure 1 (Singer, 1963, p. 425)



The assumption is that actors have a set of benchmarks from which it is able to arrange potential outcomes. These benchmarks usually stem from value systems and goals. Outcomes that will limit the state's freedom will be assigned a high disutility score whereas outcomes that limit the freedom of the other actor will gain a high utility score. The actors must weigh these possible outcomes both in terms of preferences and likelihood. History shows that nations seldom use considerable amounts of resources to attempt to reach an outcome that is improbable. The point Singer makes is that nations combine both sets of considerations when responding to an influence attempt (Singer, 1963, pp. 424, 425). If B attaches a high utility to an outcome, but the threat A makes is assigned an equally high disutility score, the two considerations tend to cancel out and the probability becomes the important dimension. If B assesses that the probability of A carrying out the threat is quite low, B would most likely go ahead with its intentions (Ibid, 1964, p. 426).

There are two main influence techniques listed in Singer's model: threat and promise. *Threat* refers to the communication between the influencer (A) and influencee (B) that if a preferred act is not committed or a non-act is not avoided then actor A will punish B. *Promise* is

defined as the promise given to B that if B acts in accordance with A's preferences, then B will be rewarded. Threat and promise thus refers to possible, future events, while punishment and reward refers to concrete acts that have already taken place or are in the process of taking place. Reward and punishment may serve as a link between B's present and his anticipated future. Knowledge of outcomes of past and present behaviour can be used to predict future outcomes of behaviour. The use of reward and punishment thus increases the credibility of A's threats and promises (Singer, 1963, pp. 427).

In the case of India and the U.S., the U.S. is the influencer and India is the influencee. The two countries' relative bargaining power, use of tactics and influence attempts may all be important factors in determining India's room of manoeuvre. However, there is a possibility that the relationship with the U.S. is not the decisive factor in determining the room of manoeuvre and consequently India's actions. In order to assess whether or not this is the case, I must provide an analysis of India's other interests and how they affect the room of manoeuvre. It is for instance possible that the U.S. has made threats and promises and other tactics to influence India's actions when it comes to the three cases, but India would have chosen the course of action regardless of the U.S. influence attempts. India's actions would then be explained by Indian interests that do not directly involve the U.S., and not by U.S. concerns. In any case, I have to determine and assess India's interests and aspirations and consider the alternative actions India can commit to realise these interests. In the next section of the theory chapter I will try to provide a more coherent framework by outlining the different components of India's room of manoeuvre. I will then derive some general assumptions from the theoretical framework that will be assessed in the analysis.

3.2 Room of Manoeuvre

As described briefly in the background chapter, a state's room of manoeuvre constitutes all the possible actions a state can make in a specific situation. An action, whose negative consequences are deemed too great for the action to be considered a possibility, falls outside the room of manoeuvre. The room of manoeuvre is related to the relationship between costs and benefits of different alternative actions. Because the costs and benefits vary from case to case, the room of manoeuvre is never absolute but rather flexible. A state is sometimes willing to pay a higher price to realise its goals than in other situations. The room of manoeuvre can also change over time as policies change (Knutsen et al., 2000, pp. 35, 38).

In this thesis India's actions in the three cases can be regarded as the dependent variable whereas the room of manoeuvre can be seen as the body of independent variables. The room of manoeuvre is in turn made up of a number of different variables drawn from the discussion in the background chapter of other factors that might have influenced India's decision with regard to Iran, as well as the U.S. influence variable. One can organise these variables in four key categories: resources considerations, regional considerations, domestic considerations and global considerations. This is illustrated in figure 2 below. These main categories can be further divided into subcategories. In order to provide an adequate answer to the research question, all these variables must be considered, but the main focus is the relationship with the U.S. and U.S. influence. This falls underneath the global considerations category.

The main task of the thesis is to investigate to what degree U.S. influence can be said to be a decisive factor behind India's choices of actions with regard to the three cases. The relationship with the U.S. can thus be seen to be the main independent variable, while the variables in the other categories are considered to be the control variables. I need to look for its presence, and consider the importance, of both the dependent variable and the control variables. If U.S. pressure is present and strong in all three cases, while the control variables are less consistently present or do not appear to have an equally strong effect on the room of manoeuvre, then U.S. influence can be assumed to have strong explanatory power with regard to India's actions. If U.S. influence only seems to have strong explanatory power in one or two cases, then I can explore why U.S. pressure was only effective in only that or those cases and not in the second or third. This would also lead to the question of what type of U.S. pressure or influence attempt seem to be most effective, and whether that influence attempt only works when one or more of the control variables are at play. The degree of alternatives and commitment might also provide insights on the effectiveness of U.S. influence. To sum up, the question is to what degree U.S. influence, vis-à-vis the other variables, has an impact on India's room of manoeuvre with regard to the three cases. I will elaborate on this later. First I will discuss the control variables categories.

Figure 2 India's room of manoeuvre



3.2.1 Resources considerations

Energy security is at the top of the agenda in India as it is in great need of energy, especially if it wants to ensure future economic growth. 'Energy considerations' is therefore included as a control variable. I have also included trade in this category as this is important with regard to the flow of resources in and out of India, and the economic resources, or capital, which India possesses. 'Trade considerations' is therefore the second control variable.

3.2.2 Regional considerations

Located on a multipolar continent, regional considerations are almost bound to play a role in India's foreign policy decisions. India is positioned in a region of great instability. Four of India's neighbours ranked in the top twenty-five dysfunctional states in Fund for Peace's Failed States Index, namely Afghanistan, Pakistan, Myanmar and Bangladesh (The Fund for Peace, 2011). Of these neighbours, Pakistan is assumed to have the largest effect on India's room of manoeuvre given the long history of adversity between the two countries and Pakistan's history with the U.S. 'Pakistan considerations' is therefore the first regional control variable.

The history of tensions between India and China and the competition between the two countries over power and resources make it plausible that concerns about China have an effect on India's room of manoeuvre. This is especially the case when it comes to the North South Transport Corridor where some of India's actions, especially regarding the developments of the Chabahar port, are regarded as strategic counter-moves to some of China's developments. 'China considerations' is therefore the second regional variable.

3.2.3 Domestic considerations

As we have seen, an important feature of the Indian domestic political culture is the heterogeneity of the polity. Iran and India both have large Shiite populations and the Government has to be responsive to such sub-national communities. 'Sub-national group considerations' is therefore the first domestic control variable.

The increased fragmentation of the Indian party system has made the Government's hold on power more uncertain and the Government therefore has to take the opposition into account when making a decision. It is plausible that the opposition therefore has an effect on India's room of manoeuvre and 'political opposition considerations' is therefore the second domestic variable.

3.2.4 Global considerations

The last category of variables that make up India's room of manoeuvre is global considerations. Here the main focus is on India's relationship with the U.S. and U.S. influence attempts when it comes to India's policy and actions towards Iran. This is considered the main independent variable. As we saw in the background chapter, India and the U.S. have developed an increasingly close relationship because of several mutual interests both economically and strategically. As will be discussed in section 3.3 below, the global concerns thus revolve around the future of the Indo-American relationship and will be analysed by using the Dependence Model. I will assess U.S. concerns and influence by looking at the bilateral exchanges between the two countries, India and the U.S. alternatives with regard to regional partnerships and alternative actions, and the two countries' commitment to their preferred outcome in the three cases.

3.3 General theoretical assumptions

The relationship with the U.S. is thus important to India and I assume that this relationship is taken into account when policy and actions towards Iran are made. Yet, one does not know to what degree this concern determines India's actions, nor does one know how the dynamics of this relationship influence India's actions. In order to gain deeper insights into the U.S. influence on India's actions when it comes to the three cases, I must not only examine whether U.S. pressure was incremental, but what the pressure consisted of. The dynamics of the relationships refers to the bilateral exchanges, or influencing attempts and the influencee's responses as discussed above. In this section I will list some assumptions about the India—U.S. relationship dynamics derived from the bargaining theory.

The first assumptions derive from the bargaining theory. The first one is that the U.S. and India have a conflict of interest over Iran and they both try to maximize their gains and minimize their losses. Both countries act according to their perceptions. The second assumption is that the two states' power is subjective and related to their interdependence and concerns about the future of their relationship. The states are assumed to use tactics to manipulate the other's perception and influence its behaviour. The third assumption is that interactions between the two countries and their display of power are in accordance with the dependence model. Both countries have a stake in maintaining the relationship. With regard to alternatives, neither country is assumed to have an alternative relationship that would fill the shoes of the other country. This is thus a source of leverage or potential power. In terms of alternatives of actions this varies from case to case.

When it comes to commitment, India's general commitment is assumed to be larger than the U.S. One can assume that India is more interested in having its interests and needs met, even if it is by engaging with Iran, than the U.S. is interested in having India abstaining from such an engagement. This is especially the case with the IPI Pipeline Project and the North South Transport Corridor, which involves the securitisation of some basic interests and needs of India, namely the securing of resources and the expansion of trade. The U.S. is critical and sceptical of Iran's leadership and wants to prevent it from developing nuclear weapons. This has led the U.S. to impose strict sanctions on Iran (U.S. Department of the Treasury, N.D.).

These cannot function optimally if other countries disregard the sanctions and trade with Iran as normal. However, preventing India from trading etc. with Iran is hardly at the core of the U.S. vital interests, even though Asia and the securing of the American interests in the region are important parts of the U.S. foreign policy. The existence of alternative solutions to the conflict of interest is expected to complicate the notion of commitment, as India's commitments is expected to be directed at finding a solution to the issue in question, but the solution does not necessarily have to involve Iran. The parties' commitment might therefore differ from case to case.

The next assumptions derive from the Inter—Nation Influence model. I assume that the U.S. influence attempts have been directed to the future and to try to modify or reinforce India's behaviour depending on the case. The precise nature of the attempts, if the U.S. wants to reinforce or modify the behaviour, will be discussed in the analysis. Yet one can assume that the U.S. influence attempts fall within the dissuasion category when it comes to the IPI Pipeline Project and the North South Transport Corridor; the U.S. does not want India to engage with Iran, and persuasion when it comes to the votes against Iran's nuclear program; the U.S. wants India to vote against Iran. The U.S. cannot predict with certainty what India will do. The amount of effort and the techniques that have been applied will also be discussed in the analysis when the relevant data has been collected, as well as the utility, disutility and probability that India might have assigned to the different alternative outcomes. One can assume that the U.S. influence attempts lose strength when there is a lack of a credible threat or promise. If a threat or promise would not affect the utility-score of an alternative action significantly enough for India to want to refrain from committing that action, then one would assume that the influence attempt would be unsuccessful. If India has refrained from committing that action anyway, then the explanation might lie with one or more of the control variables.

It is also important to keep in mind that the Indo—U.S. bilateral relationship can influence India's room of manoeuvre and foreign policy even in the absence of explicit influence attempts. India might anticipate that an action it knows to be against the U.S. wishes might have negative consequences on the future of the Indo—U.S. relationship, even if the U.S. has not explicitly stated that this will be the case.

3.3.1 Assumptions about the three cases

The theoretical framework outlined above gives us a general idea about what interests and concerns, which constitute India's room of manoeuvre, play a part in bringing about India's policy towards Iran and how the dynamics of the India—U.S. relationship might shape this room of manoeuvre. The analysis, however, is centred on three different cases and it can thus be fruitful to make some more specific assumptions regarding the three cases.

The first case is India's votes for holding Iran in non-compliance of its NPT safeguard obligations in the 2005 IAEA vote. In 2006, India further voted to refer Iran to the UN Security Council (Narvenkar, 2011, p. 176). It is assumed that concerns about the relationship with the U.S. drove India to vote against Iran. Domestic opinion appears to have pushed India in the direction of voting in favour of Iran (Rajiv 2011, p 823). With regard to resources, the voting is assumed to not severely affect the Indo—Iranian economic relations. The alternative explanation to U.S. influence appears to be regional concerns about non-proliferation (Sharma 04.04.2011). However, this is not assumed to have put enough constraints on India's room of manoeuvre to explain the votes against Iran. That leaves concerns about the U.S. It is thus assumed that the U.S. had a significant effect on India's room of manoeuvre in the case of the votes against Iran.

The next case is the Iran—Pakistan—India Pipeline Project. This project concerns the transport of gas from Iran through Pakistan into India. Thus both regional considerations and resources considerations are assumed to play an important part here. The main Indian incentive to go through with the project is assumed to be resources; India needs gas. The project is also financially the best gas import alternative for India, Iran and Pakistan (Basit, 2009, p. 89). The increased energy cooperation has also lead to increased trade with both Pakistan and Iran (Ibid, p. 87). The other incentive is that it could improve relations with Pakistan.

Pakistan is also a disincentive. Pakistan would gain considerably economically from the project as India would have to pay transit costs to Pakistan. The pipeline would also go through the unstable Baluchistan region in Pakistan where rebels have sabotaged Pakistani pipelines (Basit, 2009, pp. 82, 83). One fears that this could also happen to the IPI pipeline. Last, but not least, the U.S. has voiced considerable opposition to the project (Ibid, p. 85). Thus there are both pros and cons for India of going ahead with the project. However, India

has turned away from the project and instead chosen to focus on an alternative pipeline: the Turkmenistan–Afghanistan–Pakistan–India (TAPI) pipeline project (Sachin, 05.01.2013; Singh Roy, 2012, p. 971). Even though there are certain disincentives, the assumption is that the U.S. pressure is the main reason why India chose to turn away from the project. The U.S. is thus assumed to have put significant constraints on India's room of manoeuvre which has resulted in India's actions in this case.

The third case is the development of the North South Transport Corridor. India sees Central Asia as an important region and market; the only difficulty is that the region is not connected to the sea and thus there is a need of overland trading routes. In contrast to the two other cases, India does not seem to be as accommodating to the U.S. wishes (Bedi, 01.03.2012; Prashad, 28.08.2012). It is assumed that this is because of the number of both economic and strategic incentives. India can benefit both from the NSTC-development both when it comes to trade, energy and strategically vis-à-vis China and Pakistan. 'Resources considerations' and 'regional considerations' are thus assumed to have trumped global, or U.S. considerations, in this case. The U.S. is thus assumed to have not put significant constraints on India's room of manoeuvre to steer India away from Iran in this case.

4 Methodology

4.1 The case study method

This thesis is a case study of the reasons behind India's choice of actions towards Iran when being subjected to pressure from the U.S. In this study, I look at three different cases which are all cases of Indian dilemmas between the U.S. and Iran. From a wider perspective these are cases of states' dilemmas when one state pressures another state to act in a certain way towards a third state. Each case represents only one point, or situation, in time and the three cases will be compared to see similarities and differences when it comes to the presence and absence, as well as the strength and nature, of the variables listed in the theory chapter. This is thus a comparative case study (Gerring, 2007, p. 27).

The case study method is qualitative in nature and has both strength and weaknesses relative to quantitative research. Generally, the method one uses to carry out one's research depends on what method will provide the most valid results while also being practically doable. If one wishes to gain a deeper insight into a phenomenon and reach results with high internal and conceptual validity, then a qualitative case study would be a good choice (George & Bennett, 2005, p. 19; Gerring, 2007, p. 37). Case studies also have an advantage if one wants to conduct research of a more exploratory nature if the existing theory in the field is weak or not well suited for the particular scientific focus (George & Bennett, 2005, pp. 19, 20). Case studies are also well-suited for exploring causal mechanisms. Because of the small number of cases in a case study, the researcher has the opportunity to study the cases in depth. Casual mechanisms are often complex with a large number of intervening variables. It can be difficult to include and define all such variables in a statistical study and many contextual or intervening variables are therefore left out. It is easier to avoid this in case studies (Ibid, 2005, p. 22).

4.2 Reasons for choosing the case study method

There are several reasons why a qualitative research design is the best methodological option for this thesis. First of all, it is the only practically feasible. A statistical analysis would require a large number of cases and the existence of a dataset containing relevant information

about these cases; that is not the case when it comes to Indian dilemmas between the U.S. and Iran. There are only a limited number of cases to choose from. Seeing as it is only during the past 20 years that India has grown to become a great power and has developed amicable bonds with the U.S. after the end of the Cold War, the cases have to be from drawn from the 1990s until today.

Another reason why the case study method is the best methodological choice is the focus and purpose of the study. I wish to investigate the explanation behind foreign policy actions and to what degree a certain causal variable is the decisive factor. The purpose is thus to explore how causal mechanisms— the presence, strength and dynamics of variables— have resulted in India's action with regard to the three cases I have chosen. This is one of two main ways of investigating causation; the other being estimating the causal effect. When estimating the causal effect one looks at the expected effect a given change in X has on Y across a population of cases. This is difficult to estimate if one only has a small number of cases and thus this is mostly a focus in quantitative research. If one focus on causal mechanisms by contrast the goal is to link the X to Y on a plausible way. It is often unclear whether the co-variation of the dependent and independent variable is truly causal in nature, or if there are other causal variables that have, or have contributed to, producing the effect (Gerring, 2007, pp. 43, 44). In my thesis it makes sense to focus on causal mechanisms and not just on causal effects both because of the limited number of cases, but also the uncertainty of how, or indeed if, the independent variable produces the effect in the dependent variable.

To investigate the causal mechanisms I can use a method similar to that of 'process tracing'; a method which "attempts to trace the links between possible causes and observed outcomes" (George & Bennett, 2005, p. 6). It is often impossible to test the variables of interests by holding other conditions constant. In conducting case studies, one rather depends on contextual evidence and deductive logic to determine causality within a case. One can thus not simply study the co-variation between X and Y, because there might be several other confounding factors that contribute to bringing about the outcome. In process tracing, one collects different pieces of evidence from various units of analysis to verify a single inference (Gerring, 2007, p. 172, 173). In this thesis, the causal mechanisms does not necessarily take the form of a domino-like process with several intervening variables; one variable might not cause the next and so forth until the outcome is produced, but similar to process tracing the use of different kinds of evidence from different levels of analysis will be considered together

in order to produce a logic explanation of what has caused India's actions. Such units are the global, regional and domestic level, and different pieces of evidence will be collected regarding each level to provide a complete picture of India's room of manoeuvre. Just as in process tracing, contextual evidence and deductive logic are crucial.

Because the subject of investigation is foreign policy decisions, it is impossible to know with absolute certainty what has caused the Indian Government to act in the way it has, or in other words, which independent variables X have caused the foreign policy outputs Y. The foreign policy actors may give an official explanation of the choices they have made, but one does not know if these are completely truthful or not. Any explanation of their actions is never a hundred per cent certain.

Nevertheless, if I look at the contextual facts, and try to define India's interests, I can with the use of deductive logic determine what have most likely made the Indian Government act in the way it has. An example could be if, with regard to an issue, there are several independent variables which are assumed to point India in certain direction when it comes to a potential course of action, yet India has acted in a way that is not in accordance with what these variables would presuppose. I can then deduce that another independent variable has carried more weight. For instance, hypothetically, one knows that India needs a specific amount of gas imports to fulfil its needs, which could be fulfilled by a certain project. In addition, regional considerations and domestic considerations also point India in the direction of the project. Yet, India has chosen to not go ahead with the project. One can then assume that India's actions must be explained by another explanatory variable, such as U.S. influence. The assessment of India's interests and incentives to proceed with certain actions will be compared to the explanations given by key actors, and the credibility of such statements will be evaluated.

4.3 Use of theory

In this study, the focus will be primarily on the independent variable and the control variables, seeing as the dependent variable, India's actions, are already given. The thesis's aim is also to use theory to test empirical implications and not to use empirical data to test a specific theory. As we have seen, the theoretical framework that guides the research is eclectic and created to suit the specific empirical focus. The study's main goal is thus not to strengthen or falsify a

theoretical framework; rather I use theory to investigate certain aspects of the empirical world. The theory works to narrow down and specify the scope of the investigation. By having defined the theoretical concepts, mechanisms and theoretical assumptions, I can more systematically review the empirical findings and gain insights into the dynamics of the variables at play. Even if the main goal of the thesis is not to test a specific theory, the investigation will test certain theoretical assumptions and the thesis might produce knowledge of how a similar theoretical framework can be used to test similar cases or how a specific theoretical model manages when applied to empirical data.

4.4 Case selection

In the theory chapter I have listed a number of variables that might have affected the room of manoeuvre and I have made some assumptions about the nature of the negotiation situation or exchanges between India and the U.S. I have not, however, made detailed assumption about the relationship between X and Y or the variance of the control variables. The lack of detailed assumptions about the presence and variance of the independent variables and the control variables are therefore not clear enough to choose ‘most-similar’ or ‘most-different’ cases (George and Bennett 2005: 81, 82).

This study is somewhat more exploratory in nature where the goal is to gain more knowledge about what factors have caused India’s foreign policy with regard to Iran and to what degree the independent variable, U.S. influence attempts, has affected the outcome. The main focus of the study is on the influence of U.S. pressure, and it is thus important that U.S. pressure is present in the cases I select. Case selections are thus based on whether the independent variable is present. To get a broader insight into the dynamics at play and how U.S. influence play a part, I will select cases that appear to be different with the exception that the independent variable is always present. The selection will thus not be based on whether the dependent variable has a negative or positive sign in the individual cases or on the presence and variance of the control variables. On the contrary I will select cases where the outcomes, or situations, are different. It is precisely the presence, strength and dynamics of such variables I wish to discover. By comparing these cases, and assessing why the outcomes have varied across the cases, one can gain deeper insights into whether, when and how U.S. influence appears to play a large part in Indian foreign policy decisions towards Iran. Juliet Karboo holds that if one wants to explain foreign policy one must compare foreign policy

across time, space and issue, “and understand the general explanatory power of these various influences on governments’ behaviour” (Kaarbo, 2003, p. 157). Hence, this thesis will feature cases that occur in different situations at different points in time, albeit they are of course only cases of Indian foreign policy.

The population of cases is rather limited and exists only within the timeframe of the last two decades. The three cases I have selected are key examples of situations where India has been faced with the dilemma of choosing between the U.S. and Iran. They are also different when it comes to both the amount of variables involved and the nature of the dependent variable. The cases also represent some important, current issues in geopolitics today, especially energy security and the development of pipelines and global trade. These are topics that are and will be of central importance to India.

4.5 How to measure the variables and their effects

In order to conduct the analysis it is necessary to devise a way to measure the variables. The variables in the four categories are not material, clearly all-ready defined concepts and so indicators must be devised that are measurable and make the concepts more concrete. There are often several different ways to define and measure a concept and the choices made here are vital in the analysis, so it is important that this is clearly stated before I begin the analysis.

4.5.1 Indicators

Resources considerations

Firstly, I need to make indicators for the resources category. Here the two key variables are ‘energy considerations’ and ‘trade considerations’. With regard to the first variable, the question is in what way one can measure how energy security might affect India’s room of manoeuvre and how this might influence its policy towards Iran. The first thing I need to consider is if, and to what degree, India’s policy towards Iran and the U.S. in a certain case involves energy resources. If the case involves Indian policy, or a position towards an issue, that does not directly involve Indian energy imports, then one can assume that ‘energy considerations’ has had less influence on India’s room of manoeuvre than in cases where energy imports are central. A negative policy towards Iran might of course sour the

relationship between the two countries and in the long term make energy trade less certain, but this is nonetheless less risky when it comes to energy imports than in cases where imports are at the centre of the issue.

The same type of indicator can be used when it comes to ‘trade considerations’; if trade is central in a case of Indian policy towards Iran, then one can assume that this has a bigger effect on the room of manoeuvre than in cases where it is not. Both these variables are linked with the main independent variable; U.S. influence attempts. In cases where energy and trade is a central subject and a negative policy towards Iran would constitute a loss of Iranian energy imports or trade relations, then I have to see if the U.S. offers any alternative energy resources or trade relations. If this is not the case, then one can assume that resources considerations have an even bigger impact on India’s room of manoeuvre.

Regional considerations

The second category is ‘regional considerations’. Here ‘Pakistan concerns’ and ‘China concerns’ are the variables. Especially when it comes to Pakistan, it is a little more complicated to make indicators because it is plausible that India’s relationship with, and status vis-à-vis, Pakistan are taken into consideration in most Indian foreign policy decision-making processes. Hence, even if a foreign policy decision has nothing to do with the Pakistan, India might still take it into account. The question is rather to what degree Pakistan matter in individual cases when it comes to India’s room of manoeuvre. The first indicator is simply whether Pakistan or China is directly involved in the case. This could be if Pakistan and China are central parties in a negotiation, or if India’s increased trade with Iran have spill-over effects when it comes to China and Pakistan. Another indicator is if Pakistan and China is not directly involved, but an Indian foreign policy decision would make India stronger or weaker vis-à-vis Pakistan or China. Examples would be if India would benefit economically from a deal or improve its infrastructure.

Domestic considerations variables

The domestic considerations and foreign policy tradition category consists of two variables: ‘sub-national groups considerations’ and ‘political opposition considerations’. The variables both involve the constraints made by others’ opinions. The first, ‘sub-national groups considerations’, regards the constraints made on India’s room of manoeuvre when sub-

national groups are sensitive to changes in foreign policy towards a country with the same type of sub-national group. In the case of India's policy towards Iran, it is India's Muslim population, especially the Shiite minority that the Indian Government has to be sensitive to. The indicator of this variable is Shiite reactions; whether there have been expressed support or opposition against a certain policy towards Iran from the Indian, Shiite community.

The second variable is 'political opposition considerations'. With an increasingly fragmented political party system, the Government is weakened and has to be sensitive to the opinions of its political opponents and its constituencies. There are three main indicators on political opposition considerations; one of them measure the amount of pressure put on the Government, the other two of the Government itself. The first indicator is the Government constellation; whether the Government can be considered weak or strong. This is measured by the amount of parties in the Government and the amounts of seats the Government parties have in parliament. The second indicator is the response from the opposition; does the majority of the opposition parties support or oppose the Government's position with regard to the case in question? This is measured by parliament debates and politicians statements and comments in the media. The third indicator is the most directly linked to India's room of manoeuvre and concerns the Government response. If the Government's rhetoric and policy changed in one way or the other after protests and appeals from the political opposition and general public, then it is plausible that India's room of manoeuvre has been affected by this variable. If the opposition have a clear stance on an issue regarding Iran, but the Government has not been responsive to the opposition, then one can assume that other variables have affected India's room of manoeuvre more than the domestic one.

Global considerations

This brings us to the last category, 'global considerations', in which the relationship with the U.S. is the main variable. Here, the Dependence Model and the Inter—Nation Influence model will be used as the analytical tools. Thus, the inter-nation exchanges and subsequent considerations are central. The first indicator is the signals or communications, or bilateral exchanges, which have been expressed by the U.S. and India. This includes all forms of tactics such as threats and promises, and the downplaying the importance of the relationship. The second indicator is whether there are there any alternative relationships for India and the U.S. that will serve the same purpose. Also, are there any alternatives actions that could solve

the issue of the case? Can India realise its interests in other ways than by tying bonds with Iran? What utility and disutility might India have assigned to the outcome of the alternative actions? The third indicator is commitment; how committed is India to its preferred outcome in the case in question and how committed is the U.S.?

4.5.2 Data

The analysis in this thesis will be based on data collected from documents, both primary and secondary sources. Books, academic articles, newspaper articles, reports, speeches, interviews and legal documents will all be used. I will also use some Wikileaks cables. The cables used originate from the U.S. Embassy in New Delhi and are either classified as secret or confidential. These cables contain information that provides unique and valuable insights into the exchanges between the U.S. and India. It is however important to keep in mind that the cables are written by American officials and might therefore be biased. They also often contain summaries of longer conversations and the conversational context might therefore be excluded.

4.5.3 Validity

This is thus a study where contextual factors are vital and an answer to the research question requires in-depth knowledge of the three cases and the variables that have been at play. The possibility of studying cases in-depth often gives case studies high internal validity compared to statistical studies. This is the validity that is internal to the sample. Because the sample in a case study is usually small, the researcher can establish the accuracy of a large number of causal relationships (Gerring, 2007, p. 43).

Case studies also have certain limitations and weaknesses. While case studies make it easier to ensure high internal validity, it is said to be weaker when it comes to external validity. There are, in other words, difficulties in using the results generated from case studies to generalise to cases outside the sample population (Gerring, 2007, p. 43). Another limitation is that it is hard to determine to what degree a causal variable affects the outcome in a particular case. It is easier to determine what variables matter and in what way than it is to determine how much they matter (George & Bennett, 2005, p. 25).

There will always be a trade-off between achieving high internal validity and high external validity. In my thesis, the goal is to establish the causes behind India's foreign policy in three cases and the aim is not to generalise from these three cases to a large population of cases. Trying to generalise from this study to countries facing similar situations would most likely not give valid results as the explanatory variables behind a country's foreign policy would be specific to that country as well as to the different situations that produced the foreign policy. Precisely because the cases are so complex, the aim should be to ensure high internal validity by investigating thoroughly the interplay between the different variables at all level of analysis.

One can nevertheless try to make some more modest generalisations from the three cases. The cases are drawn from different periods of time and differ in terms of situations, interests involved and the nature of the U.S. influence attempts. By looking into how India has reacted in these different situations might give us a good idea of how India would act when faced with similar situation in the future. Theoretically, the findings pertaining to the assumptions derived from the theoretical framework can also say something general about the dynamics of inter-nation influence, although the number of cases is too low for such a generalisation to have a high external validity. The theoretical findings might also demonstrate how similar studies on other cases might be conducted using a similar theoretical framework.

The problem of determining how much certain variables matter is a clear challenge in this thesis. The goal of the research is precisely to determine how much U.S. influence has mattered. This estimation will be done by looking at what can be said to be in India's national interest, as well as the Indian Government's interest vis-à-vis the opposition, and see if India's actions reflect these interests. If its actions differ from what such interests should presuppose, and U.S. influence attempts have been present, then one can logically assume that the U.S influence has mattered to a significant degree.

5 Analysis

5.1 India's votes on Iran's nuclear program

The first case I will analyse is the Indian votes for holding Iran in non-compliance of its NTP-safeguards in the IAEA in 2005 and the votes to refer Iran to the UN Security Council in 2006. The dependent variable, India's actions, is India's votes against Iran which are in accordance with the U.S. wishes. To gain insight into why India did this, India's room of manoeuvre will be analysed. I will begin by analysing the different categories of control variables to see which variables might have had an impact on India's room of manoeuvre and thus the dependent variable. The independent variable U.S. influence attempt and the assumptions derived from the bargaining theory will be discussed in section 5.1.4 about global considerations. A systematic review of all the assumptions will be given at the end.

5.1.1 Resources considerations

The two variables here are energy and trade. The question is whether the issue at hand, the votes in IAEA in 2005 and in 2006, will have a negative or positive impact on India's energy supply and trade. The first indicator is whether the issue at hand involves energy resources. While this is certainly the case for Iran and its development of nuclear energy, it is less so for India, at least when it comes to energy imports from Iran. The votes were over Iran's nuclear program, and although the votes might have put a bump on India's social capital in Iran, it is difficult to imagine that the votes would lead to a stop in Iranian gas exports to India. India's oil imports from Iran actually increased after the votes, and were at 16.6 per cent of India's crude imports in 2009 (Press TV, 07.05.2009). It is plausible that India anticipated that the votes would not damage the Indo—Iranian relationship to the extent that it would harm India's energy security in the long term. According to Madan (2010), Indian policy makers did not believe that the votes would lead to a cut-off in oil supply and that relations would eventually recover (Madan, 2010, p. 16).

The same goes for trade; trade between the two countries has increased after the votes with a bilateral trade growth of 18.76 % per cent from 2011 to 2012 (Tiwary, 13.12.2012). Iran did however pose some threats beforehand that it would revise its economic and trade relations

with countries that did not support it in the IAEA. However, the Iranian chief negotiator said that Iran was willing to continue having a “friendly” relationship with India (Malhotra, 03.10.2005). It is thus likely that India did not believe that the votes would have severe consequences when it comes to exports from, and trade with, Iran. It is therefore implausible that resources considerations with regard to Iran put any significant constraints on India’s room of manoeuvre. Resources consideration did nevertheless matter when it comes to the voting in the IAEA and its consequences on India’s relationship with the U.S. The Indo—U.S. Nuclear Deal is relevant to India’s future energy supply and India’s voting could affect the realisation of the deal. This will be discussed this more extensively later in the section about global considerations.

5.1.2 Regional considerations

The variable in this category is ‘Pakistan considerations’ and ‘China considerations’. With regard to Pakistan, the question is if concerns about Pakistan in any way affected the room of manoeuvre which led India to vote in the way it did. The first indicator is whether Pakistan is directly involved in the case. Besides also being a member of the IAEA, the case does not directly involve Pakistan. Pakistan has nevertheless been mentioned as a factor in the official explanation of the votes which I will get back to below. The second indicator is if India’s actions would put India in a strong or weak position vis-à-vis Pakistan. It is hard to see how India’s voting would weaken its position compared to that of Pakistan regardless of how India would have voted. Pakistan abstained from voting for the resolution in 2005 (Acronym, 24.09.2005), but it is not likely that this would give Pakistan any advantage over India, for instance when it comes to trade or energy. As discussed above, India most likely did not think the votes would lead to a loss of Iranian energy imports or trade, and so India would not lose out in the competition over resources with other countries.

When it comes to the two countries’ mutual relationship with the U.S., India, by adhering to the U.S. wishes showed more loyalty to the Americans than the Pakistanis did. In spite of not seeming directly linked to the Iranian nuclear issue, Pakistan was mentioned in an explanation of the votes given by Prime Minister Manmohan Singh in 2006 and by former Indian foreign secretary Shyam Saran in 2011 (Sharma, 04.04.2011; The Financial Express, 17.02.2006). Saran said that India’s main interest in the resolutions was to ensure that there would be full accounting of the nuclear programs of Iran, as well as the role of Pakistan and North-Korea in

Iran's clandestine acquisition of nuclear equipment (Sharma, 04.04.2011). If this was indeed an important reason behind the votes, then Pakistan concerns may have affected India's room of manoeuvre and the decisions to vote against Iran.

The same assessments about resources and competition go for China as for Pakistan. With regard to the first indicator, China was not directly involved in the case apart from also being a member of the IAEA. With regard to the second indicator, India, as discussed, most likely assumed that the votes would not severely affect the relationship and thus not significantly weaken India's relationship with Iran vis-à-vis the Sino—Iranian relationship. China chose to abstain from voting in 2005 (Narvenkar, 2011, p. 179). It is however uncertain if this actually put China in a more favourable position vis-à-vis India. This might be the case. India signed a deal with Iran on the import of LNG, and an Indian stake in the Iranian Yadavaran field and the Jufeyr field. Iran reneged on the deal and in 2007 it awarded the development rights to the Yadavaran field to a Chinese company (Madan, 2010, p. 14; Shana.ir, 06.05.2012). It is uncertain if the IAEA votes had anything to do with Iran awarding a Chinese company the development rights instead of India. Regardless, it is unlikely that India would have predicted this in 2005 and 2006 and it was most likely did not have a significant effect on India's room of manoeuvre.

There are other regional considerations that might have affected India's room of manoeuvre. One of the explanations for the votes given by the Indian Government was concerns about regional stability (Rajiv, 2011, p. 826). The External Affairs minister Pranab Mukherjee stated that nuclear proliferation was the biggest threat facing Asia and additional nuclear weapon states would endanger the international security (Indianexpress.com, 06.02.2008). Prime Minister Singh later confirmed that India would not like to have an additional nuclear weapons state in its neighbourhood and opposed Iran's nuclear ambitions (Khare, 30.09.2008). The prominent Indian analyst C. Raja Mohan also highlighted the geopolitical implications of a nuclear Iran: "Iran's nuclear defiance is only partly about the global nuclear order. It is more about rewriting the geopolitics of the Gulf that could unleash new tensions between Arabs and Persians and between the Shia and Sunni. The Government, one can only hope, is seized of the new challenges to India's security interests and will not sacrifice them at the altar of the UP elections" (Mohan, 26.12. 2006). General concerns about the geopolitical implications of a nuclear Iran may have put significant constraints on India's room of

manoeuvre in the direction of voting against Iran and thus provide an alternative explanation to that of U.S. influence.

5.1.3 Domestic considerations

This category consists of two variables: ‘sub-national group considerations’ and ‘political opposition considerations’. The first indicator is Shiite reactions. It has been difficult to find data on this, which could indicate that there was not a significant amount of opposition. The only data found is a Wikileaks cable from the U.S. Embassy in New Delhi which stated that Indian Shiite leaders had dismissed concerns that the votes would lead to a backlash, and they informed that Shiite Muslims in India generally support foreign policy decisions and that Shiites too worry about nuclear proliferation. Some Shiite clerics pointed out that the loudest protests was from Sunni Muslims, but that some anti-U.S. protests by Iranian-funded Shia groups was expected to occur (Wikileaks, 26.09.2005). The reactions from the Indian, Shiite community thus appear to be moderate and Shiite ‘sub-national group considerations’ therefore did most likely not affect India’s room of manoeuvre significantly.

The second variable, ‘political opposition’ has three indicators: Government constellation, response from opposition and whether Government rhetoric and attitudes have altered or not. The Government in charge during the IAEA voting consisted of a centre-left political party alliance called the United Progressive Alliance (UPA). The largest party in this alliance is the INC. The Government came in position after the 2004 elections with Manmohan Singh as Prime Minister. UPA won 226 seats. The largest opposition union, the National Democratic Alliance (NDA), in which the largest party is the Bharatiya Janata Party (BJP), won 169 seats (Joshua, 12.07.2008). The UPA received external support from the Left parties due to its shared commitment to keeping India secular (rediff.com, 13.05.2004). Because of the volatile nature of Indian coalition politics, the constituent of the UPA has been altered (Indian Election Affairs, N.D.^A). The Government thus had a clear majority but this could change if parties withdraw from the coalition. The Government’s vulnerability to the opposition and fluctuating support was highlighted when the Government was subjected to a vote of confidence in 2008 after allegations of corruption in connection with the implementation of the Indo—U.S. Nuclear Deal (Ramesh, 22.07.2008). In June 2008, the Left parties withdrew their support of the Government because of the Nuclear Deal (The Hindu, 08.07.2008). The

Government thus has to take the opposition into consideration in the foreign policy decision making process.

The second indicator is the opposition's response and reactions. There was considerable opposition to the votes against Iran and criticism was often linked to the notion of 'strategic autonomy'. Strategic autonomy has been an ordering principle in Indian foreign policy and is an emphasis on independence in decision making and foreign policy choices that are solely based on national interest considerations (Rajiv, 2011, p. 822). Both critics and supporters of the Government emphasised the importance of strategic autonomy. Opponents charged that India was deserting its strategic independence. These opponents were often from the Left and BJP/NDA (Ibid, p. 823). An NDA convener stated that the votes were against the national interest (The Tribune, 06.02.2006). The then BJP-president claimed that India's foreign policy was no longer independent (expressindia.com, 09.02.2006). The Left voiced similar concerns. A member of the Communist Party of India (CPI) stated that the "the stand taken by India is not in conformity with the pursuit of an independent foreign policy and the maintenance of good relations with Iran, which is in our national interests" (The Tribune, 06.02.2006). In a parliamentary debate, CPI member C.K. Chandrappan commemorated Iran and India's historical friendship and times when India has drawn support from Iran, and stated that India could easily have abstained from voting against Iran similar to Brazil, Argentina etc. (Lok Sabha, 26.02.2006). The Left urged India to vote in accordance with that of its fellow NAM-members. However, the NAM troika (Malaysia, Cuba, South Africa) either voted in favour of Iran or abstained from voting, emphasising the right of NPT-countries to develop civilian nuclear technology (Rajiv, 2011, p. 823).

One can thus see that there was considerable opposition to the votes against Iran both from the main opposing party, the BJP, and the Left. The opposition from the Left is especially significant, as it offered external support of the Government in the election. This brings us to the final indicator, Government response. Despite the domestic opposition to voting against Iran, India did precisely this. It would thus appear that domestic considerations have not been predominant enough to constrain India's room of manoeuvre as one would perhaps expect given the amount of disapproval from the political opposition. The reactions from the Shiite community do not appear to have been of significant presence, since Shiite opposition was hard to trace, and its impact would thus be accordingly.

5.1.4 Global considerations

The final variable is U.S. concerns and U.S. influence attempts. The question is if U.S. pressure on India to vote against Iran put considerable enough constraints on India's room of manoeuvre so that India chose to vote according to the U.S. wishes. The indicators here are based on bargaining theory and concern the nature of the Indo—U.S. relationship, the bilateral exchanges between the two countries, and considerations regarding the issue in question.

Bilateral exchanges

The first indicator is the exchanges that have occurred between India and the U.S. Have the two countries applied any tactics in relation to each other? Has India downplayed the importance of the relationship? What about the U.S.? Has the U.S. made any influence attempts in the form of threats or promises? There is evidence that the U.S. has made explicit influence attempts both in the form of threats and promises. In a talk at the Indian Institute for Defence Studies and Analysis, a former Bush administration official, Stephen G. Rademaker, who worked as assistant secretary for Non-Proliferation and International Security at the U.S. State Department, was reported saying that India's attitudes towards non-proliferation changed after the Nuclear Deal with the U.S. He allegedly said: "'The best illustration of this is the two votes India cast against Iran at the IAEA," adding: "I am the first person to admit that the votes were coerced" (Payvand News, 17.02.2007; Varadarajan, 17.03.2007). Mr Rademaker never denied saying this (Varadarajan, 17.03.2007). The former U.S. ambassador to India, David Mulford, also linked the Nuclear Deal with India's voting in the IAEA in connection with the votes on the referral of Iran to the UNSC in 2006. In an interview Mulford said that if India did not vote for the referral, the result would be devastating for the Nuclear Deal as the U.S. Congress would "simply stop considering the matter" and that the "initiative will die" (Desai, 25.01.2006).

It would thus appear that the U.S. has used a mix of threats and promises linked to the Nuclear Deal to influence India's actions to persuade them to vote against Iran. The nature of the threat is that if India disobeyed the U.S. in the IAEA, the Nuclear Deal would be put off the table; the promise was that if it did obey the U.S., it would not.

What about Indian tactics and signals? India made a considerable effort to promote diplomatic and multilateral solutions to the Iranian nuclear issue, stressing the need to establish international consensus on the matter. The Indian Ministry of External Affairs (MEA) stated it was attempting to avoid confrontation and promote consensus. These efforts might have been an attempt to increase India's manoeuvrability. However, the efforts failed and the issue was put to a vote in the IAEA (Rajiv, 2011, pp. 820, 821). As described in the discussion of domestic constraint, strategic autonomy was emphasised as a central principle in Indian foreign policy making (Ibid, p. 822). However, according to a Wikileaks cable, later in 2008 after a visit by Iranian President Mahmoud Ahmadinejad which sparked negative reactions in the U.S., the former Indian Foreign Secretary Shivshankar Menon told the U.S. Ambassador Mulford that the Government had to be seen following an independent foreign policy. He also stressed that "by providing Ahmadinejad with a platform to berate the U.S., the Indian Government has attempted to prove that it has an independent foreign policy, as the Communist critics have demanded since India's first vote against Iran in the IAEA in 2005" (Wikileaks, 01.05.2008). This was a couple of years after the votes, but may indicate that India has been honest with the Americans about the Indian Government's concerns and the importance of not upsetting its polity. Such honesty in turn indicates that India was not using the tactic of trying to downplay the U.S. importance in order to increase leverage, perhaps because that would not appear credible.

In the case of the votes against Iran, the Americans had solid leverage because of the Indo—American Nuclear Deal. Being a non-signatory to the NPT and thus having been isolated from the nuclear community and subjected to sanctions for illegally developing a nuclear weapons program, the Nuclear Deal marked a considerable shift for India. The deal opened up for cooperation and trade in nuclear technology and resources for the peaceful development of nuclear energy. For India, this could facilitate the expansion of nuclear energy and help minimize the reliance on other energy sources (Nandakumar, 2008, pp. 110, 112). Even though there were domestic opposition against the deal and the deal has not yet been fully implemented, the deal gave India the option to develop civilian nuclear technology with U.S. support. Even if it did not result in any immediate benefits, in the long-haul, having this option is valuable.

The deal was arguably more important to the Indians than to the Americans and if the Indians were to pretend otherwise, that would probably not be very credible. For the U.S., the

development of a closer partnership with India was the key rationale behind the agreement as well as national security concerns pertaining to India's nuclear program. The agreement involves the bringing of 14 of India's 22 present, and all future, nuclear reactors under the IAEA safeguards (Burns, 2007, pp. 136, 137). The deal was also beneficial to U.S. firms who could make billions in profits because of the deal (Panda, 2006, p. 110). However, the U.S. has similar agreements with several other countries (National Nuclear Security Administration, N.D.). Apart from the fact that it is with a non NPT-member, the agreement is not unique for the U.S., at least not in economic terms.

Altogether, India had more to gain from the agreement than the U.S., giving it an opportunity to break out of nuclear isolation. In the deal, the Americans offered nuclear trade with India by making it possible to supply nuclear fuel and technology. India has a severe and increasing shortage of domestic uranium resources. The Nuclear Deal can reduce such shortages (Mian et al., 2006, pp. 118, 126). An Indian official was reported stating after the Nuclear Deal was announced in 2005: "The truth is we were desperate. We have nuclear fuel to last only till the end of 2006. If this agreement had not come through we might have as well closed down our nuclear reactors and by extension our nuclear program" (Ibid: 126). The stakes were therefore higher for India.

The deal thus had a different function for the Indians than for the Americans. India most likely did not believe that the deal was so important for the U.S. that the American threats were empty. Even though the deal and the forging of the partnership with India was one of President Bush's top foreign policy priorities; for the deal to happen, Congress had to be on board (Solomon, 08.09.2008). Bush made it clear to India that if it did not vote against Iran the Nuclear Deal would most likely not pass through Congress. This was credible. The negative consequences not voting against Iran would have for India, thus had a high probability. Even after India voted against Iran, several members of the U.S. Congress demanded that the Nuclear Deal should be made dependent on whether or not India cut all military ties with Iran. This demand was however rejected by the Bush administration (Pant, 17.02.2012). Hence, despite Bush's commitment to the deal, there was a clear possibility that the deal would fall through if India did not vote against Iran. This gave the U.S. more leverage over India than vice versa. In theoretical terms one can say that the disutility of failing to reach the nuclear agreement was greater for India than for the U.S.

Alternatives

The second indicator regards alternatives. The first question is whether India had any alternatives that could solve the issue in question and whether India could realise its interests in other ways than by establishing bonds with Iran? The answer to this question is rather simple in the sense that there are only two real alternative actions: the first is voting for/abstaining; the second is voting against Iran. As we have seen, both alternatives have positive and negative effects, and hence there is no alternative action for India that would solve the issue without having any negative consequences. India was thus faced with the choice of either letting down the U.S. or Iran and the opposition, and so the question was rather which alternative had the highest utility score. The assessment of the utility of the alternatives includes, as we have seen, several different factors pertaining to resources, domestic opinion etc. and the need for the nuclear agreement. I will discuss this in section 5.1.5.

There is also the question of alternatives more directly pertaining to the Dependence Model of whether there are any relationships with other countries that could function as alternatives if ties with the U.S. were cut. In this particular case, the U.S. offers a unique way out of nuclear isolation. It is uncertain whether other countries could offer a similar agreement. In a more general sense, the U.S. is the world's sole superpower and the most influential actor in Asia together with China and India. To realign oneself with China instead of the U.S. is hardly an alternative. To cut the ties with the U.S. is not considered an option for India given the U.S. importance in the region and the important areas of cooperation. The U.S. history of cooperation with Pakistan is also important here because India wants the U.S. to focus more on India than on Pakistan. Hence, India does not have an alternative, similar relationship that it can choose instead. The same goes with the Nuclear Deal. The question is thus rather if a vote for Iran would deal a severe enough blow to the Indo—U.S. relationship. The threats made by the U.S. regarding the Nuclear Deal clearly communicate that this would be off the table if India voted against the resolutions. India might have also feared that if they defied the U.S. then that would harm the bilateral relationship in a more general sense.

The U.S. on the other hand, has more alternatives with regard to the issue. The U.S. does not need the Nuclear Deal as much as India and it is thus a credible threat that it would put it off the table if India voted for Iran. It thus has more alternatives than India, because it can more easily drop the deal. However with regard to the general aspects of the Indo—U.S.

relationship, the U.S. seems to have fewer options. It is hard to see that the U.S. has an alternative relationship in Asia that it could choose to focus on instead of India, at least not one that could fill the gap of India if the focus was to shift. The U.S. has had an off-and-on partner in Pakistan, but precisely because it is already a partner, the U.S. would have little to gain from shifting focus from India to Pakistan. In addition, India is a democracy and Pakistan is arguably less stable than India given its position as one of the top-25 dysfunctional countries in the world on the Failed States Index (The Fund for Peace, 2011). Also, Pakistan has proven that it does not always abide by the U.S. wishes. As we have seen, it for instance abstained from voting in the IAEA in 2005, and it has also gone ahead with the IP Pipeline Project. The stakes of maintaining the bilateral relationship are therefore high for both countries.

Commitment

The third indicator is commitment. How committed are India and the U.S. to the outcome of the issue at stake. The Dependence Model postulates that this is not about tactics, but it does influence the countries' bargaining power if one country perceives that the other country wants the outcome at any price. According to the theory one should signal that one is not so committed to the issue to increase one's bargaining power. The notion of commitment is a little more complicated in this case. When it comes to India, both potential outcomes will have negative consequences, and one can assume that India would rather avoid the issue altogether, even though that is not an option. The U.S. on the other hand is explicitly committed to having India, and other countries, vote against Iran. The U.S. would gain nothing in bargaining power by pretending to want otherwise; it knows what it wants and it has the leverage to push for it. If India had had leverage, or would have been in the position that it could demand something from the U.S. in return for obedience in the IAEA, then the U.S. bargaining power would possibly have been weakened because of its commitment to its preferred outcome.

5.1.5 Assessment of the theoretical assumptions and the case

I can now go through all the assumptions outlined in the theoretical chapter and assess them in light of the case of the Indian votes against Iran in the IAEA. The first general assumptions were derived from bargaining theory. The first is that there is a conflict of interest over Iran

and that both try to maximize their gains and minimize their losses. With regard to the conflict of interest, the question is more about the degree of conflict of interest rather than a clear yes or no question. India and the U.S. certainly do have different views and opinions of Iran, and in general there is a conflict of interest in the sense that India wants to continue importing energy from Iran and continue bilateral trade as well as cooperating with the Iranians over certain strategic issues such as Afghanistan.

The U.S. on the other hand wants to isolate Iran and thus wants India to cut the ties with the country. With regard to the specific case of the votes in the IAEA however, the question of whether there has been a conflict of interest goes to the core of the central question of this analysis. Were India's actions determined by, as the Indian top officials have claimed, independent considerations of national security and concerns about nuclear proliferation, or were they the product of U.S. influence? If the actions are of India's own choice, then the conflict of interest between the U.S. and India in this case is minimal. If however, India would have wished to take a different course and abstained from voting against Iran or vote in favour of Iran, then a conflict of interest has existed and India has solved it by adhering to U.S. wishes. I will try to answer which of the two explanations is most plausible during this discussion. The assumption that states maximize their gains is considered as the basis of all assessment and will not be elaborated on.

The second general assumption is that the two states' power is subjective and related to their interdependence and concerns about their future relationship. This appears to be in accordance with the empirical findings. The U.S. leverage over India is linked to the future of the Indo—American Nuclear Deal and hence their future relationship by being an important stepping stone in their relations and a central factor in future cooperation. Whether this leverage, or potential power, was transformed into actual power in the meaning of steering another's behaviour depends on the answer to the question asked above; if India's actions were a product of U.S. influence or national interest.

The third general assumption is that the interactions between the two countries are in accordance with the Dependence Model and that both have a stake in maintaining the relationship. From the empirical findings pertaining to the case of the votes against Iran, the Dependence Model seems to have relatively strong explanatory power when it comes to the bilateral relations and interactions between the U.S. and India. As discussed above, the U.S. leverage was related to the Nuclear Deal and thus to the future Indo—American relations.

With regard to the tactics of downplaying the importance of the relationship with the state in question, the Wikileaks cable indicates that India had been honest with the U.S. about the need to appear to have an independent foreign policy. This again indicates that India in fact did not have a fully self-determined foreign policy. Of course one has to take into account, as discussed in the methodology chapter, that the cables are from the American's point of view and might be biased. In any case, there have not been any indications that India has tried to downplay the importance of the relationship as this would most likely not be considered credible.

When it comes to alternatives, neither state appeared to have an alternative relationship that would work as a substitute. With regard to alternative actions, the U.S. had a favourable position vis-à-vis India because India needed the deal more than the U.S. and the U.S. could credibly threaten to put the deal off the table if India did not vote against Iran. When it comes to commitment, India's commitment was assumed to generally be larger than that of the U.S. In this particular case however, the picture is a little more complicated as it is the U.S. who is most interested in the outcome of the case; namely to secure a vote against Iran, whereas India would like to avoid all possible outcomes; it would have preferred that the issue was not put to a vote at all. The U.S. commitments do however not seem to have weakened its bargaining position contrary to the Dependence Model.

It is clear that influence attempts have occurred and I can therefore view the bilateral exchanges more closely in light of the assumptions derived from Singer's Inter-Nation influence theory. The first assumption derived from this model is that influence attempts have been directed towards the future and that they try to modify or reinforce behaviour. Further they are directed at persuading or dissuading the other country. In this case the influence attempt is clearly future-oriented; the U.S. wanted India to vote against Iran in the IAEA. However, seeing as this was a single event and not behaviour over a period of time, the notion of modify or reinforce behaviour is not relevant here. The U.S. influence attempt can be described as persuasion; the U.S. wanted India to vote against Iran. The influence attempt was strong because it was credible: India most likely believed that the Nuclear Deal could fall through if India did not vote against Iran.

The next assumptions concern the utility and disutility of the different alternative actions. India is assumed to pick the alternative with the highest utility score. To determine which alternative has the highest score I have to go through the findings discussed above in the

different room of manoeuvre categories and the influence attempts and see what consequences the alternative actions might have had. As outlined above, there are two alternative actions that India could have taken: the first one is voting in favour of Iran or abstained from voting; the second is voting against Iran. The first alternative would have a mix of negative (-) and positive (+) consequences. The negative consequences are: a) the Nuclear Deal would possibly fall through (-), b) this would make India isolated from nuclear cooperation and it would be difficult for India to import uranium (-) c), the U.S. would be displeased (-). The positive consequences are: d) the opposition parties would be pleased (+), e) India would demonstrate that it has 'strategic autonomy' (+) and f) Iran would be pleased (+).

The second alternative also has both positive and negative consequences. The positive are: a) the Nuclear Deal would most likely be realised (+), b) the U.S. would be pleased (+), c) India would show a stance against nuclear proliferation and possibly get clarity in Pakistan's involvement in Iran's nuclear program (+). The negative consequences are: d) Iran would be displeased (-), e) the domestic opposition would be displeased (-) and f) it would raise concerns about lack of 'strategic autonomy' (-).

As we can see, both alternatives have an equal amount of positive and negative consequences. However, to answer the question of how much constrain the U.S. put on India's room of manoeuvre I can remove the U.S. influence (Nuclear Deal) attempt from the equation and see how the utility scores would look. Then in the first alternative a) would be removed. That would also remove b), because if the future of the deal would not be affected by India's action then India's status in the nuclear world would not be affected regardless of India's voting behaviour. When it comes to the second alternative a) would be removed. That would leave these utility scores for the two alternatives: alternative 1 would have one negative consequence and three positive ones. The second alternative would have two positive consequences and three negative ones. Hence, if the U.S. influence attempt related to the Nuclear Deal would be removed, the first alternative would appear to have the highest utility score.

Of course it is also a question of the importance, or the strength of the utility and disutility, that India assigned to the different possible consequences. Since India chose to vote against Iran, the negative consequences d), e) and f) of alternative 2 obviously did not make the disutility score high enough for India to choose alternative 1 instead. Hence, the positive

consequences of alternative 2 must have led to a high enough utility score for India to choose that course of action. If the influence attempt was taken out of the equation, that would leave the official explanation for the votes, namely c) that India would show a stance against nuclear proliferation and get clarity about Pakistan's involvement. The question then becomes: if the U.S. did not play a part in the decision, would c) be enough to raise the utility score adequately for India to choose alternative number 2? Which deciding factor was most important: India's concerns about nuclear proliferation and Pakistan or U.S. influence?

To give an exact answer to this is difficult, but I can try to determine whether the official explanation for the votes is credible and whether these concerns can be deemed strong enough to make India choose to vote against Iran, even if U.S. influence had not been present. Was India truly so concerned about Iran's nuclear development and Pakistan's possible involvement that it chose to vote against Iran? On the one hand, India has a long history of promoting nuclear disarmament. The vision of a nuclear free world goes all the way back to Jawaharlal Nehru. After Nehru's demise, India itself started to embark on a nuclear weapons program while simultaneously promoting nuclear disarmament. In 1988, former Prime Minister Rajiv Gandhi set up an action plan for the global elimination of nuclear weapons, which unfortunately was not realised. After the rejection of this plan, India conducted nuclear tests in 1998. It did however continue to promote disarmament. Prime Minister Manmohan Singh has continued to voice India's interest in global nuclear disarmament (Ganguly, 22.04.2010).

India is thus traditionally committed to nuclear disarmament. On the other hand, it has also been a leader in the Non-Aligned Movement, and a prominent school of thought in India holds that the nuclear non-proliferation regime is inherently an instrument to uphold the leading world order that is unequal and hegemonistic (Bajpai, 2010, p. 525). As mentioned above, the other leading NAM-countries did not vote against Iran. The votes can thus be seen as both in accordance with and a break from traditional Indian thinking about the nuclear order. As a signatory to the Non-Proliferation Treaty (NPT), Iran has the right to develop nuclear energy (IAEA, 22.04.1970, p. 1). Political commentator Ninan Koshy has noted that: "The Indian leaders knew that what was at stake was not the danger of proliferation but the right of a sovereign country to develop nuclear power as a source of nuclear energy" (Koshy, 27.10.2005).

The rhetoric surrounding the votes have also been of an ambiguous nature. After the votes in 2005, an External Affairs Ministry spokesman stated that “we have clearly expressed our opposition to Iran being declared as non-compliant with its safeguards agreements. Nor do we agree that the current situation could constitute a threat to international peace and security” (Baruah, 26.09.2005). He also emphasised that the resolution did not refer the matter to the UN Security Council and was therefore in line with the Indian wish that matters should be dealt with within the IAEA (Ibid). Prime Minister Singh also stated that India would not support the U.S. efforts to refer Iran to the Security Council. In addition, two Indian nuclear scientists gave assistance to the Iranian nuclear program (Fair, 2007, p. 146).

India thus had problems with the resolution, but still chose not to abstain from voting. The Hindu editor Siddarth Varadarajan noted that the justification for the votes in 2005; that the resolution referred matters to be dealt with within the IAEA, delaying referral to the UNSC and thus giving more time for diplomacy, was of “of extraordinary naivety and even double-speak” (Varadarajan, 27.09.2005). The 2006 resolution that India also voted in favour of, did however refer Iran to the UNSC. This time national security implications were listed (The Financial Express, 17.02.2006).

Hence India’s position on the IAEA measures against Iran does, on closer inspection, to be of an ambiguous and somewhat contradictory nature. In September 2005 India did not agree that the current situation constituted a threat and it did not want the issue referred to the UNSC. However only five month later, in February 2006, it voted to refer the matter to the UNSC with national security as the explanation. This sheds doubt about the credibility of the official explanation for the votes. Another point is the voting behaviour of other countries. The other NAM-members, including Pakistan, as well as China and Russia either chose to vote against or abstain from voting for the resolution. Why were these countries not equally concerned about Iran’s nuclear program? There can be several factors contributing to these countries decisions to vote as they did, but it would nevertheless not appear that they were concerned enough about the nuclear program to vote against it. It is also striking that the opposition parties did not support the Governments actions if the national security concerns were genuine. One would think that the opposition parties would be equally concerned about India’s security as the Government. There is also the question of the general necessity of India voting against Iran. According to Varadarajan, in 2005 securing a majority was never a problem for the U.S. and consensus was in any case impossible (Varadarajan, 27.09.2005). It

was thus not the case that it all came down to the Indian vote. It is therefore not clear why India could not abstain from voting, if you disregard U.S. influence.

Even though India has a long history of promoting nuclear disarmament and it might have some genuine concerns about Iran's nuclear activities, some factors shed doubt about the credibility of the Indian Government's explanation for the votes. It is thus plausible that U.S. influence has been essential in India choosing to vote against Iran. If U.S. influence was taken out of the equation, the number of negative factors that would have raised the disutility score of alternative 2; to vote against Iran, would perhaps persuade India to choose alternative number 1 instead; to vote in favour of Iran or abstain from voting. One can therefore conclude that it is likely that the U.S. has put considerable constraints on India's room of manoeuvre in the case of the votes in the IAEA in 2005 and 2006. This is in accordance with the assumptions stated in the theory chapter.

5.2 The Iran—Pakistan—India Pipeline Project

The second case that will be analysed is the IPI Pipeline Project. India has never officially abandoned the project, but after many years of planning and negotiations, India has shifted its focus away from the IPI pipeline (The Express Tribune, 24. 08, 2011; Singh Roy, 2012, p. 971). This case has several similarities with the case of the votes in the IAEA in 2005 and 2006. For instance, the negotiations happened in the same period of time and the U.S. used the Indo—U.S. Nuclear Deal when pushing India to move away from the project (Madan, 2010, p. 15). However with regard to the IPI Pipeline Project a broader range of interests and concerns were involved, especially with regard to resources.

5.2.1 Resources considerations

Resources considerations have obviously mattered in any important decision on the IPI project because the project is itself about the export of gas from Iran to India through Pakistan. The energy variable is therefore crucial here. India is increasingly focused on energy security and has identified three main concerns: firstly it wants to diversify energy supply and improve supply security, second, it wants to develop an integrated energy policy to meet various objectives, and lastly it wants to develop infrastructure for increased efficiency

(KPMG, 2006, p. 3). India's energy needs will grow and India needs to evaluate its supply options to meet the rising needs (Sahay & Roshandel, 2010, p. 83).

In the mid-1990s, India turned to liquefied natural gas (LNG) to meet its growing energy needs (Oil and gas journal, 02.06.2006). In 2008, Iran produced 26, 850 trillion cubic metres of natural gas; a figure that is expected to grow. In 2005 India signed the aforementioned 40 billion dollar deal with Iran to import LNG and to contribute in developing oil fields in Iran (Sahay & Roshandel, 2010, pp. 79, 81). However, India prefers to import gas through pipelines rather than as LNG, as stated in India's Integrated Energy Policy of 2006. The policy reasoned that pipeline gas is harder to divert than cargo transported LNG, even though sabotage might still interrupt gas supply (Maini, 04.03.2013). The IPI pipeline would be 2600 kilometres long and was expected to cost 7 to 8 billion dollars (Basit, 2008, p. 13). It would transport around 110-130 million standard cubic metres of gas a day (mmscmd) with 25 per cent of the gas going to Iranian domestic use, 25 per cent to Pakistan and the remaining 50 per cent to India (Saira H. Basit, 2009, p. 80). India would thus receive between 55-65 mmscmd from the IPI pipeline. According to an estimate, India needs 180 mmscmd to meet its demands (News Track India, 14.01.2009). The IPI pipeline could therefore fulfil roughly a third of India's gas needs and thus be beneficial to India. The development would help India fulfil its goals of diversifying its energy supply and develop infrastructure to increase efficiency.

The second variable in this category is trade. The pipeline project can have certain economic spill overs. For a long time, the hostilities between India and Pakistan confined bilateral trade to be conducted only through illegal smuggling. The negotiations over the pipeline projects contributed to a better diplomatic atmosphere, at least temporarily before the Mumbai attacks, and economic relations improved. Trade between the three countries increased after the negotiations started (Basit, 2008, pp. 34, 35). In 2005, the Pakistani President General Pervez Musharraf and Prime Minister Manmohan Singh made a joint statement about their agreement on enhancing economic and commercial cooperation and set up more confidence- building measures (Bureau, 18.04.2005). Increased economic cooperation and trade may lead to development of other areas of cooperation and thus also reduce the risk of conflict (Basit, 2008, p. 39). All other things being equal, when it comes to energy and trade, one would therefore expect India to go through with the project. However there might be other factors that have constricted India's room of manoeuvre.

The first factor that has worked against the project is disagreements about prices, transit costs and rises in prices. A too costly project may remove the gains from increased energy supply and trade. After the trilateral meetings of 2006, the pipeline progress became stalled by the pricing negotiations (Temple, 2007, p. 8). During the summer of 2007, the three parties managed to agree on the pricing mechanism, while still disagreeing on how often the price should be reconsidered (Basit, 2009, p. 81; Rianovosti, 16.07.2007). Since an agreement on pricing will have long term consequences as the pipeline will provide a supply of gas for the next 40 years, all three countries have been cautious about signing a contract they might regret later. After signing the LNG deal with India in 2005, Iran demonstrated an increasing unwillingness to bind itself to a low price (Temple, 2007, p. 26). Iran reneged on the LNG deal because the market prices had changed from the time of negotiations to the time it was implemented. As mentioned before, Iran also went back on the deal's promise of granting Indian companies the right to develop two Iranian oil fields and gave the contracts to a Belarusian and a Chinese company instead (Madan, 2010, p. 14). To add to the complications, there are no regulated price mechanisms like those found in the petroleum market. Iran has been discontent with the price suggested by the Pakistani and the Indians (Temple, 2007, pp. 26, 27). There has also been much arguing over the transit fees. Pakistan has been expected to receive \$ 500-600 million in transition fees from India per year; a figure that India has not agreed on (Basit, 2008, p. 18).

Thus there are both pros and cons when it comes to resources considerations. On the one hand, India needs gas and the IPI pipeline would cover about a third of India's gas needs. On the other hand, there have been concerns and disagreements about the pricing of the gas and the transit costs, and this might have affected India's interest in the project and thus the room of manoeuvre. It is very plausible that such disagreements have decreased India's commitment to the project, but perhaps not so much that it chose to turn away from it. As we will see there were some security concerns that have played a part as well.

5.2.2 Regional considerations

The first variable here is 'Pakistan concerns' and the first indicator is if Pakistan is directly involved in the case, which it is. The second indicator is whether India's actions would put India in a strong or weak position vis-à-vis Pakistan. In this case this is less relevant because both Pakistan and India would benefit from the project even though the negotiations over the

deal have been bumpy because India does not want Pakistan to gain too much from the deal, especially with regard to Pakistan's transit fees. There are thus concerns about relative gains with one party worrying that the others will gain more than it and vice versa (Basit, 2008, p. 18). Generally the project has indeed to do with regional considerations because the deal would perhaps improve the relations between Pakistan and India, which would be a big stepping stone in the relations between the two adversaries. Because of this, the project has been nicknamed the Peace Pipeline (Ibid, p. 6). As discussed above, the new diplomatic atmosphere and the increased economic interdependence were improvements in the Indo-Pakistani relations, although tensions grew again after the terrorist attacks in Mumbai in 2008 (Kronstadt, 2008, p. 9). On the other hand, there are certain security concerns that may have put constraints on India's room of manoeuvre and can thus provide an alternative explanation to that of U.S. pressure.

One of the big security concerns India has with regard to the IPI project is that the pipeline will run through the unstable Iranian-Pakistani region of Baluchistan. The Indian unease has gone from being mostly concerned about Pakistan's ability to undermine the gas supply to India to concerns about Pakistan's ability to protect the gas supply. At least 475 kilometres of the pipeline will go through the Baluchistan region. This territory is a hostile region that Pakistan appears to be unable to control (Temple, 2007, p. 27). There are several rebel groups in this area with roots in local tribal structures. It is a region rich in gas, yet it is still one of the poorest parts of Pakistan. The Baluch rebel groups claim that the distribution of gas revenues is unjust and these groups have therefore sabotaged the domestic Sui gas pipeline in addition to other infrastructure. The groups are determined to prevent future development without their consent (Basit, 2008, p. 23).

However the Australian firm, BHP Billiton, that was the principle backer of the pipeline, stated that it wanted to ensure the safety of the project by burying the pipeline a meter below the ground in addition to providing armed patrols along the pipeline. This would however increase the final price. India has also sought guarantee from Iran that if Pakistan was to disrupt the gas supply, Iran would supply the equal amount of LNG at the same price. Iran agreed to do this while also ensuring India that it will cut off all supply to Pakistan if Islamabad disrupts the delivery to India (Temple, 2007, pp. 27, 28). However as late as in April 2011, India said it was not convinced about the IPI Pipeline Project because of uncertainties regarding the security of the supply and the safety of the pipeline in the

Baluchistan region (The Hindu, 16.04.2011). Hence even with such assurances, concerns about Baluchistan and the supply has apparently continued to make India wary about the project.

The concerns about the security of Iranian supply have been fuelled by apprehensions about the Iranian Government. The Iranian President Mahmoud Ahmadinejad has used aggressive rhetoric, and in the dispute over Iran's nuclear program in January 2006, he threatened to use oil as a weapon (Temple, 2007, p. 5; The Times of India, 26.06.2006). As discussed in section 5.1.1. on resources considerations with regard to the votes against Iran, it is plausible that India did not think the votes would severely affect the future of the Indo-Iranian relationship. It might still be that Ahmadinejad's threats of using oil as a weapon might contribute to the general concerns regarding the project and shed doubt about the credibility of Iran's offer to guarantee gas supply. The fact that Iran went back on parts of the LNG deal of 2005 might also have reduced India's trust in Iran. Similar security concerns have emerged with regard to Pakistan, especially after the terrorist attacks in Mumbai in 2008 which sparked more tensions between India and Pakistan and demonstrated how fragile their relationship is (Malone, 2011, p. 62). After Russia cut off gas supply to Ukraine in 2006 and 2009, pipeline opponents contended that such instances demonstrated that pipelines can become a tool for political blackmail (Madan, 2010, p. 14). These concerns generated more traction by the fact that in the mid-1990s, the Indian high commissioner Satish Chandra asked the then Pakistani President Farookh Leghari if Pakistan could guarantee that it would not halt Indian gas supply. Leghari answered that conflicts between the two countries had never lasted for more than a few weeks and that gas supply would therefore not be interrupted beyond a limited number of weeks (rediff.com, 21.03.2005).

The next variable is 'China concerns'. China also has increasing energy needs and partly because of this it has been courting Iran. Increased cooperation between Iran and China may increase Chinese leverage over Iran and consequently China can help shape Iran's attitudes towards India (Pant, 2008, p. 126). If India turns away from Iran, and China takes its place, this might have negative consequences both when it comes to resources and energy imports from Iran and the general geopolitical environment in Asia. The first indicator is whether China is directly involved in the issue of the case. The answer is yes, to some degree. When India started to distance itself from the project and abstained from participating in the planned tripartite rounds (between Iran, Pakistan and India) in the autumn of 2007 (Basit, 2008, p. 18),

China entered the stage as a possible replacement for India. A Pakistani official spokesperson stated that Pakistan would welcome Chinese participation in the pipeline project, with or without India (the Times of India, 13.02.2008). India has already lost out to China when it comes to securing gas supply from Burma (Dutta, 09.04.2007). In the competition over resources with China, securing gas supply from Iran through the IPI pipeline would be an advantage. With regard to the second indicator, participation in the IPI Pipeline Project can thus strengthen India's position vis-à-vis China. All things being equal, China concerns would most likely make India choose to go ahead with the development of the pipeline.

As we can see there are both positive and negative sides of the IPI Pipeline Project. If realised the project can further improve relations between India, Pakistan and Iran and thus contribute to uphold the peace between the countries. Indian participation in the project is also favourable with regard to the competition with China. On the other hand, there are also severe concerns about the security, both with regard to the security of the pipeline itself and the security of supply if the pipeline is used as a political tool. Such security concerns are assumed to affect India's room of manoeuvre in the direction away from the project.

5.2.3 Domestic considerations

The first variable is 'sub-national groups considerations' and the indicator is Shiite reactions. I have found no data on reactions from the Shiite community in India concerning the IPI Pipeline Project and it is therefore hard to assume that Shiite considerations have put large constraints on India's room of manoeuvre. The second variable here is 'political opposition considerations' and the first indicator is the Government constellation. The events surrounding the IPI Pipeline Project go over a longer period of time than the IAEA votes in 2005 and 2006. The analysis of this case is limited to the period from when the three countries agreed to take on the project as a commercial venture in 2005 up until today. At the beginning of this period, the Government constellation was the same as during the votes against Iran namely the UPA alliance that came to power in 2004. In the 2009 general election, UPA performed better than expected and secured majority once again. In this election, the BJP lost 22 seats while the CPI lost 27. The INC, the leading party of the UPA, on the other hand, gained 60 seats (Indian Election Affairs, N.D.^A).

The Government was thus in a stronger position after the 2009 election than it had been before. As mentioned above, the Government coalitions in India are often unstable and parties may withdraw from the coalition, or withdraw support. However, in 2012 the UPA coalition, with outside support, still had more members than the half-way mark of 273 (Hindustan Times, 18.09.2012). The UPA had already lost the support of the Left front, including the CPI, before the 2009 election in connection with the Nuclear Deal with the U.S. However, the support was replaced by that of the Samajwadi Party (The Hindu, 08.07.2008). The Government was thus in a more vulnerable position before the 2009 election.

The second indicator is opposition's response and reactions. The political environment in India is split between forces that are positive towards tying closer bonds with the U.S. and forces that are more negative to this. Before 2008, the UPA depended on support from the Left front which is known for wanting to distance India from the U.S. The CPI has tried to pressure India into completing the IPI Project Deal (Basit, 2008, p. 22). In June 2008, a month before the CPI withdrew its support of the UPA, the UPA had not been able to enhance the UPA's comfort level with the left parties who accused the UPA of dragging its feet on the project. The CPI member M K Pandhe held that energy security lies in part by securing imports from Iran and that this was more important than buying imported nuclear reactors (The Times of India, 24.06.2008).

Because the Government, at least after 2009, has been stronger, and the opposition's reactions concerning the IPI project have come from a weakened Left, there has been less domestic pressure in the case of the IPI Pipeline Project than in the case of the votes against Iran. One can thus assume that the variable 'domestic considerations' has had a limited effect on India's room of manoeuvre. This is in line with the findings pertaining to the third indicator, the Government's response. India has put the project on the back burner despite the Left urging it to go ahead with the project.

5.2.4 Global considerations

The variable here is U.S. concerns or U.S. influence attempts. As in the case of the votes in the IAEA in 2005 and 2006, the U.S. used the Nuclear Deal to pressure India into refraining

from continuing the development of the IPI Pipeline Project and instead focus on the U.S.-backed Turkmenistan—Afghanistan—Pakistan—India (TAPI) Pipeline Project³.

Bilateral exchanges

The first indicator is the exchanges that have occurred between the U.S and India and the nature of the influence attempts. The U.S. is against the pipeline being developed. This is not only because of the U.S. view of Iran as being a terrorist state, but also because the U.S. considers China to be its main rival, and there have been talks of extending the pipeline to China (Basit, 2008, p. 26). Fear that transnational pipelines involving Iran would undermine the U.S. efforts to isolate Iran has been central in U.S. opposition to the IPI Pipeline Project. In 2006 a U.S. State Department official, Steven Mann, said that “the U.S. government supports multiple pipelines from the Caspian region but remains absolutely opposed to pipelines involving Iran” (Maleki, 2007, p. 2).

The U.S. has made it clear to India on several occasions that it opposes the pipeline and has also linked the Indo— American Nuclear Deal to the pipeline issue. In 2005, the then Secretary of State Condoleezza Rice stated that “our views concerning Iran are very well known by this time, and we have communicated to the Indian Government our concerns about gas pipeline cooperation between Iran and India” (Sullivan, 01.09.2005). Rice also pointed out that the Nuclear Deal with India was partly motivated by a wish to weaken India’s reliance on Iran (Williams, 01.07.2006). President Bush also hinted that the Nuclear Deal would be in danger if India did not shift focus away from the pipeline (Basit, 2009, p. 84; Woreck, 09.06.2007) The expressed U.S. opposition to the IPI pipeline has put India in the same position as the one it was in in the IAEA in 2005 and 2006, at least before the Nuclear Deal was signed. India has most likely perceived this and assessed the consequences a continued Indian participation in the project could have with regard to the Nuclear Deal, as well as the possible negative effect on the general nature of the future Indo—U.S. relationship.

What about tactics? In the discussion of the previous case of the votes in the IAEA we saw that India had been open with the U.S. about its need to be seen following an independent foreign policy. What about its actions surrounding the IPI Pipeline Project? Did India choose

³ See Image 2 in the Appendix

to use more tactics here and downplay the importance of the U.S.? First of all, this would probably not be an option considering that the votes against Iran happened in the same period of time. Being open with the U.S. in connection to the votes while simultaneously pursuing the tactics of downplaying the importance with regard to the IPI Pipeline Project, would have rendered the tactics incredible.

Similar to the case of the votes against Iran, India has denied being affected by external pressure and has claimed that its policies with regard to the IPI project has been in line with the principle of strategic autonomy. In May 2007, in a reply to a question from a CPI member in Rajya Sabha⁴ on whether U.S. senators had put pressure on India with regard to the pipeline, Petroleum Minister Murli Deora said that India would not be “cowed down” by any threat made by anyone, including the U.S. Deora also claimed to have told the U.S. Energy Secretary Sam Bodman during the Secretary’s visit, that with regard to the IPI project “it is not the business of the U.S. We will do what is good for us” (The Hindu, 09.05.2007; TheTimesofIndia, 08.05.2007). A week before, Deora had stated in the Lok Sabha⁵ that India was going ahead with discussions on the IPI pipeline and that there was no question of “the U.S. or any other country interfering in India's internal affairs” (The Hindu, 09.05.2007).

However, according to a Wikileaks cable, the Indian Petroleum Secretary M.S. Srinivasan and the main Indian negotiator on the IPI project had claimed that “Minister Deora's statements in the Lok Sabha on May 3 (ref B) and in the Rajya Sabha on May 8 — concerning the GOI⁶ going ahead with the IPI pipeline and not succumbing to USG⁷ pressure — were meant primarily for Deora's constituency and members of parliament, and that the USG “should not attach any significance to them” (Wikileaks, 10.05.2007). It would thus appear that, at least in the period of time when the Nuclear Deal was still being negotiating, India followed the same line as in the case of the votes against Iran, of trying to please the domestic constituency while being open about it with the Americans.

Alternatives

The next indicator is alternatives. Did India or the U.S. have any alternative relationships to that of the other it could rather choose? This has already been discussed in the first case, and

⁴ Upper house of the Indian Parliament

⁵ Lower house of the Indian Parliament

⁶ Government of India

⁷ U.S. Government

the answer appears to be no. Neither India nor the U.S. has an alternative country that would have the same function as they have for each other. There is also the question of alternative actions; does India have an alternative action that could solve the issue at hand. In this case the question thus becomes if India can secure enough energy or gas without having to defy the U.S.? In contrast to the first case where the alternative actions were simple and confined to either voting for or against Iran, the picture is more complex with regard to the IPI Pipeline Project. There exist more alternatives and thus a larger array of cost- benefits considerations that India has had to consider.

The first alternative to consider is the existence of alternative pipelines. India needs all the energy it can get, so it is important to keep in mind that going ahead with one alternative does not necessarily cancel the possibility of going ahead with another. Nevertheless, if alternatives to the IPI pipeline exist, then the IPI pipeline might be less needed and India can more easily choose to abide by the U.S. wishes and turn away from the project. India has especially considered two alternative pipelines: one from Burma through Bangladesh and the TAPI gas pipeline (Basit, 2008, p. 21). The former alternative fell through when Burma chose to send the gas to China instead (Dutta, 09.04.2007). India has had more success with the TAPI Pipeline Project negotiations. A framework deal was signed on May 24th 2008 by India, Pakistan and Afghanistan to buy natural gas from Turkmenistan (Davis, 25.04.2008). On May 23rd 2012, India, Pakistan, Afghanistan and Turkmenistan signed the historic gas sale purchase agreement for the TAPI gas pipeline. The pipeline will cost \$7.6 billion, stretch over 1,680 kilometres and India and Pakistan would get 38 mmscmd each (The Hindu, 23.05.2012). The IPI pipeline, on the other hand, would cost roughly the same, be 2600 kilometres long and India would receive between 55 to 65 mmscmd (Basit, 2008, p. 13; Basit, 2009, p. 80).

The TAPI pipeline and the IPI pipeline would therefore cost roughly the same, but the IPI pipeline would transport more gas to India each day than the TAPI pipeline, while the latter will be shorter than the IPI pipeline. There is another difference between the two pipelines; the TAPI pipeline is supported by the U.S. and U.S. firms are interested in the development of the project. Prior to the agreement, the U.S. lobbied extensively for the extension of the pipeline to India (The Express Tribune, 24.03.2012; Williams, 01.07.2006). So far the TAPI pipeline has the advantage of being backed by the U.S.; it has the disadvantage of not being able to deliver as much gas to India as the IPI pipeline would have done.

What about security? One of the big concerns with the IPI project was the security of supply considering the unstable Baluchistan region and the possibility that Pakistan or Iran could use the pipeline as a political weapon. Can the TAPI Pipeline Project be considered to be more secure? There are obvious security implications of building a pipeline that goes through both Pakistan and Afghanistan. Afghan authorities have ensured the TAPI partners that it has reached an agreement with the Taliban guaranteeing the security of the pipeline from sabotage; still, the pipeline will run through some of Afghanistan's most insecure regions. The Taliban also stand to gain from the revenue boosts from the pipeline. The alternative route to the TAPI pipeline runs through Iran, but this was opposed by both the U.S. and Turkmenistan (Alic, 23.05.2012; Tillayev, May 2011).

Experts have raised concerns about the feasibility and cost of the pipeline considering the security risks. Vladimir Plastun, an expert on Afghanistan, pointed out that there are warlords in every section of every province who will demand a share for the protection of the pipeline. Another Afghanistan expert, Zohid Ansarov, claimed that the security of the pipeline may end up costing more than the pipeline itself (Karimov, 08.01.2011). The existing Afghan and ISAF forces would most likely need help from NATO in securing the pipeline. The pipeline is set to last for at least 50 years, and the commitment in Afghanistan could therefore be very long (Tillayev, 05.2011). The Americans are set to withdraw all troops by 2014. The security challenges posed by the unstable political environment in Afghanistan are accompanied with concerns about the mountainous topography also posing a challenge for the construction of the pipeline (Maini, 04.03.2013). The TAPI pipeline will pass through the Baluchistan region as well, same as the IPI Pipeline Project, and thus be exposed to the same risks as the IPI pipeline (Alic, 23.05.2012). Such concerns may make investors steer away from the project (Sholk, 06.06.2012).

The concern about the use of pipelines as political weapons is also expected to be present when it comes to the TAPI. With regard to the IPI Pipeline Project, this concern was especially directed at Pakistan, because India and Pakistan have a long history of strained relations. As we have seen, the TAPI pipeline would pass through Pakistan on its way to India so the TAPI should be no different than the IPI pipeline in this matter. The spill-over effect of strengthening the Taliban is also a serious concern. India has been critical of the Taliban for decades (Pant, 2008, p. 117). There have also been worries about the sustainability of Turkmen gas. Turkmenistan has signed agreements with Iran and China as well as supplying

the Russian gas company Gazprom; therefore, concerns have been raised over whether Turkmenistan will be able to meet its commitment to the TAPI. There are also concerns about the Turkmen gas industry's ability to deliver when it comes to technical and financial matters, and pipeline infrastructure (Dadwal, 04.05.2011). It would thus appear that both the IPI- and the TAPI Pipeline Projects carry severe risks. With regard to security, it is therefore not obvious why India would choose to focus on the TAPI pipeline rather than the IPI pipeline.

The second big stumbling block for the IPI project was the disagreement over the pricing of gas and transit fees. Have negotiations over costs been less problematic when it comes to the TAPI project and has India been able to secure a better deal for TAPI than the expected outcome of the IPI pipeline negotiations? There have been disagreements over the costs when it comes to the TAPI project as well. For instance, there have been arguments over the price of the Turkmen gas (Dadwal, 04.05.2011). There have also been differences between India and both Pakistan and Afghanistan on the matter of transit fees that India will have to pay to the two countries (Mehdudia, 29.04.2011).

Still, the TAPI pipeline has appeared to become somewhat cheaper than the IPI pipeline, at least if you disregard security costs. In April 2012, the TAPI countries reached an agreement on the gas prices and transit fees. The Turkmen gas will cost \$11 per Million British Thermal Units (mbtu), whereas Iranian gas would cost \$13 per mbtu. When it comes to transit fees, India will have to pay 49.5 cents per mBtu to Pakistan and Afghanistan each (Bhutta, 21.04.2012). In contrast, India would have to pay a minimum of \$1.1- 1.2 per mBtu in transportation cost and transit fee to Pakistan for wheeling the gas through the IPI pipeline (gulfoilandgas.com, N.D.). This is thus more than the cost of the TAPI pipeline gas even when you combine the fees that will have to be paid to Pakistan and Afghanistan. Also with regard to the IPI pipeline, Pakistan would get the total amount of transit fees and therefore would gain more than it will from the TAPI pipeline. When it comes to gas prices and transit fees, the negotiations have not run completely smooth, but in the end the TAPI countries managed to agree on costs that would make the TAPI pipeline cheaper for India than the IPI pipeline would appear to have been.

The second alternative is to meet energy needs using other sources than through transnational pipelines, for instance by developing India's own energy sources. India has made major gas discoveries over the past years, most of which is located offshore west of India, but also some on the eastern coast (Basit, 2008, p. 21). As of January 2010, India had approximately 38

trillion cubic feet (TcF) of proven gas reserves. That same year, India consumed more than 2.3 TcFm, which was over 750 billion cubic feet more than in 2008, and India's gas demand is expected to grow considerably. Despite the existence of India's domestic gas resources, demand has outstripped supply and India therefore has to import gas (Energy Information Administration, 21.11.2011). Lately there has been a decrease in the Krishna- Godavari basin natural gas reserve which has increased the dependency on LNG- imports. To import natural gas through pipelines is thought of as a better option with regard to energy security than importing LNG. Hence, there is an increased urgency to develop natural gas pipelines (Maini, 04.03.2013). Developing India's own resources would not take away the need to import energy through for instance pipelines, at least not in the short term.

Commitment

The last indicator is commitment. How committed are India and the U.S. to the preferred outcome of the issue at stake? The issue is the IPI Pipeline Project. The preferred outcome of the U.S. is for India to pull away from the IPI Pipeline Project. The preferred outcome for India is to secure gas supply through a gas pipeline, but its commitment to the IPI Pipeline Project specifically is more uncertain. How committed to the IPI Pipeline Project has India been? The answer to this question is a complicated one and one that involves all the aspects discussed above; was India ever that committed to the IPI Pipeline Project and was the shift in focus away from the IPI pipeline a result of a lack of interest in the project, or a result of successful U.S. influence? The answer to this will be given in the final discussion of the assumptions about this case, but I can try to assess and compare India and U.S. stakes in this case. The stakes for India are energy security and fulfilling India's energy needs; for the U.S. it is first and foremost to facilitate the attempt to isolate Iran by preventing India (and Pakistan) from going ahead with the pipeline developments.

One can assume that the U.S. also wants to help India secure energy supply to secure its growth and prevent it from completely losing out to China. In section 3.3 of the theory chapter, I assumed that India would be more committed to securing a favourable outcome with regard to the IPI project than the U.S. This is still plausible. Energy security is in India's vital interest. Isolation of Iran is in the U.S. interest, but arguably not in its vital interest. India could therefore argue that its need for energy and gas and its need to import gas through

pipelines trump the U.S. need to isolate Iran. However, the question is complicated by the existence of the TAPI pipeline. This is as we have seen backed by the U.S. and, if realised, gives India an opportunity to import gas while bypassing Iran and thus please the U.S. The existence of the TAPI pipeline alternative may thus have significantly lowered India's commitment to the IPI Pipeline Project. The final question is this then: would India have chosen to focus on the TAPI- Pipeline Project rather than the IPI project if U.S. influence attempts had been absent? I will try to answer this in the next section.

With regard to effects of commitment on bargaining power, one can argue that India's commitment in this case does not affect its bargaining power. The Dependence Model postulates that if a state wants something at any price and the other state perceives this, then the state's bargaining power might be weakened. India obviously does not want the IPI pipeline at any price because of the existence of alternatives, although the general goal of ensuring energy security is crucial to India. The question of the effect of commitment on bargaining power is also complicated by the fact that India's commitment is not directed towards gaining something from the U.S. The case is about India's commitment to gaining gas through a transnational pipeline from countries other than the U.S. The U.S. wants to dissuade India from committing an action, namely to go ahead with the IPI Pipeline Project. If the case was about India wanting to acquire something from the U.S. and it wanted this at any price, which the U.S. knew, then the U.S. bargaining power would be strengthened and the U.S. could claim a 'high price' for whatever India wanted. This is not the case when it comes to the IPI Pipeline Project, and the concept of commitments effect on bargaining power is therefore not relevant here.

5.2.5 Assessment of the theoretical assumptions and the case

The first general, theoretical assumption is that there is a conflict of interest between India and the U.S. when it comes to the case. The answer to this is both yes and no. It is in both countries interest that India has energy security, but there is a conflict of interests with regard to India's willingness to consider importing gas from Iran through the IPI pipeline and the U.S. opposition to this. So far, India has apparently chosen to focus more on the U.S. - backed TAPI pipeline rather than the IPI pipeline, but it has never put the possibility of joining the development of the pipeline from Iran completely off the table. The second assumption is that the two states' powers are subjective and related to their interdependence. As with the

previous case, this still seem to be in accordance with the empirical findings as the influence attempts seem to be linked to the Nuclear Deal and the future of the bilateral relationship.

The third general assumption is that the interactions between the two countries are in accordance with the Dependence Model and that both have a stake in maintaining the relationship. The empirical findings here are also similar to those discussed in the first case of the votes against Iran, and the Dependence Model again seem to have explanatory power. The events happened in the same period of time and the Nuclear Deal was again central in the bilateral exchanges. Indian fears that India's participation in the development of the IPI-pipeline would preclude the realisation of the Nuclear Deal might have persuaded India to shift focus away from the IPI project towards the TAPI pipeline. Fears about possible consequences to the general nature of the Indo—U.S. relationship might also have played a part in India's decisions especially since no alternative relationships exist for either country; at least not one that would fill the role of the existing relationship. With regard to tactics, India once again seems to have been open and honest with the Americans about their need to please the domestic opposition. This honesty indicates that they have not tried to downplay the importance of the U.S.

When it comes to alternatives, in contrast to the previous case where India's alternative actions came down to voting against Iran or voting for Iran or abstaining from voting, India's alternative actions here are less clear-cut and the cost-benefit analysis is more complex. The most viable option to the IPI pipeline is the TAPI pipeline. Although this pipeline is somewhat cheaper with regard to gas prices and transit costs, security is a roadblock. Whether India chose to focus more on developing the TAPI Pipeline Project rather than the IPI project primarily because the TAPI was the best and cheapest option in terms of energy security, or if it was primarily due to U.S. pressure, will be discussed at the end of this section.

With regard to commitment, in this case, India holds the largest stakes. It is in India's vital interest to ensure energy security, either through the IPI Pipeline Project or in other ways. In contrast, it is in the U.S. interest that India refrains from participating in the IPI Pipeline Project, but not in its vital interest. However, with the existence of alternative sources of energy imports, such as the TAPI, India's commitment to the IPI Pipeline Project is weakened and the existence of alternatives also cancel the effects India's commitment could have on its bargaining power. In addition, the issue is not about India wanting to acquire something from

the U.S. Therefore, the U.S. does not gain anything in bargaining power from India's commitment.

Hence, U.S. influence attempts have occurred and I can now view the findings in light of Singer's Inter-Nation Influence model. The influence attempts are future-oriented and directed at dissuading India from participating in the IPI Pipeline Project. There is also an element of persuasion as the U.S. wanted India to go ahead with the TAPI Pipeline Project instead. The influence attempts have thus been directed at both modifying and reinforcing behaviour; modifying India's behaviour with regard to the IPI pipeline by having India pull away from the project; and reinforcing India's behaviour when it comes to the TAPI pipeline by encouraging India to focus more on the project. As with the previous case of the votes against Iran, the U.S. influence attempt was linked to the ratification of the Nuclear Deal. As discussed, this influence attempt was credible; if India defied the U.S. wishes, both with regard to the votes in the IAEA and the IPI Pipeline Project, the Nuclear Deal would be at risk. After the bill on the Nuclear Deal was ratified in Congress in 2008, the U.S. leverage or influence becomes less clear, but it is possible that Indian fears of negative consequences to the future relationship with the U.S. outweighed the benefits of the IPI Pipeline Project. It is also possible that concerns other than those connected to the U.S. has made India refrain from going ahead with the IPI Pipeline Project. This will be discussed more in depth later in this section.

The next assumptions concern the utility and disutility of the different alternative actions. As discussed above, the development of India's own energy sources cannot remove the need to import energy, at least not in the short-term, and India has since the 1990s increasingly imported natural gas. India prefers to import natural gas through pipelines and not as LNG. Therefore, in practice, the alternatives actions come down to two options: to go ahead with the TAPI Pipeline Project or the IPI Pipeline Project. Proceeding with one project does not cancel the possibility of going ahead with the other. However, one knows that India, in the last few years, have focused more on the TAPI Pipeline Project than on the IPI project. India has emphasised that the IPI Pipeline Project is not completely off the table, but India has been accused, by for instance Iran, of abandoning the project (The Express Tribune, 24.08.2011). One assumes that India will always choose the alternative action that has the highest utility score. The question is if it was aspects other than the U.S. that has made the utility score of the TAPI project higher than that of the IPI project. It is plausible that the U.S. has been an

important factor in India's choice to focus more on the TAPI project over the IPI project. To try to see if this is the case, I will try to determine the utility and disutility of each alternative action by looking at the possible positive and negative consequences each alternative action will have. The consequences will be seen in comparison to the other alternative action.

The first alternative is the IPI Pipeline Project. This alternative has a mix of positive and negative consequences. The positive consequences are: a) the IPI Pipeline Project could fulfil roughly a third of India's natural gas needs which is more than the TAPI pipeline can (+), b) it will bypass Afghanistan (+), c) Iran has guaranteed the security of supply (+) d) the pipeline will help uphold the peace and increase trade between the three countries India, Pakistan and Iran (+), e) the IPI Pipeline Project is favourable with regard to the competition with China (+), f) focusing on the IPI Pipeline Project will demonstrate strategic autonomy vis-à-vis the U.S. The Left is pleased (+) The negative consequences are: g) the U.S. would be displeased and the actions would possibly harm the future Indo—U.S. relationship (-), h) prior to September 2008, participation in the IPI project could have negative consequences with regard to the Nuclear Deal (-), (i) the IPI pipeline would have to pass through the unstable Baluchistan region (-), (j) there is a risk of the pipeline being used as a political weapon (-), (k) the project has been plagued with disagreements over costs and the gas from the IPI Pipeline Project would most likely cost more than the TAPI project in terms of gas prices and transit costs (-). Participation in the IPI Pipeline Project thus has more positive consequences than negative; six positive and five negative.

Participation in the TAPI Pipeline Project also has a mix of positive and negative consequences. The positive are: a) by bypassing Iran, the TAPI Pipeline Project has the support of the U.S. (+), b) a focus on the TAPI project would higher the chances of the Nuclear Deal being ratified (+) c) it will cost less than the IPI Pipeline Project with regard to the price of gas and transit costs (+), d) it can help uphold the peace between the countries and might lead to increased trade (+). The negative consequences are e) it delivers less gas than the IPI pipeline (-), f) it has to pass through Afghanistan as well as Baluchistan in Pakistan. It can benefit the Taliban (-), g) it can be used as a political weapon by the countries the pipeline has to pass through. There are also doubts over Turkmenistan's ability to deliver the gas (-), (g) backing out of the IPI Pipeline Project might shed doubt about India's strategic autonomy vis-à-vis the U.S. The left is displeased (-). Hence, focusing on the TAPI Pipeline Project has

an equal amount of positive and negative consequences than positive; four positive and four negative.

To determine if India's choice to focus on the TAPI project rather than the IPI project, one can disregard the consequences involving the U.S. and just look at the other aspects of the two alternative projects. That would take away two of the negative consequences of the IPI Pipeline Project and two of the positive consequences of the TAPI Pipeline Project. Hence, the IPI project would have three more positive consequences than negative, and the TAPI project would have one more negative consequence than positive. Based on the distribution of positive and negative consequences, the IPI Pipeline Project seems to be the most favourable option with the highest utility score. However, it is more complicated than this because different consequences might be more important to India than others. As in the previous case of the votes against Iran, I need to determine the strength of the utility and disutility that India might have assigned to the different consequences. To determine this I will again look at the official statements and explanations for choosing to shift focus away from the IPI Pipeline Project and see if these are credible. I will also try to determine if the TAPI Pipeline Project really was a better option. If not, then one would have expected India to focus more on the IPI Pipeline Project, instead of the TAPI project, if U.S. influence was not part of the equation.

As discussed above, domestic pressure does not seem to be an important factor in determining India's actions. There has been less opposition against going away from the IPI Pipeline Project than in the case of the votes in the IAEA, and the opposition has come from a weakened left. If one thus disregards the domestic aspect as well as the U.S. aspect, it comes down to security, resources and costs. There are equally, if not more, security risks linked to the TAPI Pipeline Project than the IPI Pipeline Project, and the IPI pipeline can deliver more gas, but the TAPI project is cheaper when it comes to the price of gas and transit costs. Was this enough for India to choose to focus more on the TAPI Pipeline Project rather than the IPI Pipeline Project?

The official explanations for the shift in focus away from the IPI Pipeline Project have been costs and security. In 2009, Minister of State for External Affairs Shashi Tharoor stated: "It's not that we're not interested and we certainly haven't shut the door on it. It's true we've pushed it to the back burner" (The Hindu, 19.10.2009). He then went on saying that India had legitimate security concerns with having a pipeline run through Pakistan since India has been attacked twice from across the Pakistani border (Ibid). Indian Government sources have stated

that it regards the TAPI Pipeline Project as technically feasible and that security issues can be resolved. It does however not feel the same way about the IPI Pipeline Project because the project was yet to convince India on two counts: security of supply and the safety of the pipeline (The Hindu, 16.04.2011).

There are no doubts legitimate security concerns linked to the IPI Pipeline Project. It is however more uncertain why there are less security concerns regarding the TAPI pipeline which have led India to focus more on this project. The Indian officials' assertions that the TAPI pipeline is technically feasible and that security issues can be resolved, contradict the opinions of many experts who have doubts that the TAPI pipeline will become a reality (Dadwal, 04.05.2011). This sheds some doubts about the security aspect of the explanation of the shift in focus. The official explanation about security was also questioned by Iranian officials who asked in regard to the TAPI project, if India would not face security issues in not only one but two countries, pointing to both Pakistan and Afghanistan (Dikshit, 16.06.2011).

The other aspect of the official explanation is related to costs. India has consistently insisted that transportation tariffs and transit fees are too high and must be brought down and resolved if India is to go ahead with the IPI Pipeline Project (AAJ, 24.03.2007; rediff.com, 26.05.2009). There is no reason to doubt that India's concerns about costs are not legitimate. The prices discussed in the IPI Pipeline Project negotiations are higher than those agreed on in the TAPI Pipeline Project. The disagreements India and Iran have had over the 2005 LNG deal also raise legitimate concerns. It is however not clear whether India still would not have been able to reach an agreement on the IPI Pipeline Project if concerns about the U.S. had not been present.

India needs all the energy it can get, but there are serious concerns and roadblocks connected to both the IPI Pipeline Project and the TAPI Pipeline Project. The TAPI pipeline fees may be lower than those of the IPI pipeline, but the severe security concerns connected with the TAPI project lower the credibility of the Indian statements that the TAPI project is more feasible than the IPI project. It is plausible that the U.S. opposition to the IPI project and its backing of the TAPI project have been decisive in making India choose to focus more on the TAPI Pipeline Project. Given its large energy needs, India would perhaps press harder for reaching an agreement on the IPI project if U.S. pressure had not been present. U.S. influence may thus have put constraints on India's room of manoeuvre. The findings may then be in accordance

with the assumptions outlined in section 3.3.1 of the theory chapter that the U.S. put significant constraints on India's room of manoeuvre.

5.3 The North South Transport Corridor

The final case that will be analysed is India's actions regarding the development of the North South Transport Corridor (NSTC). Analysing this case is complicated by the fact that the developments and events linked to this case, are still very current, in contrast to for example the case of the votes against Iran in 2005 and 2006 which is naturally limited in time. The dependent variable, India's actions, might therefore change. For instance, the developments of one of the key projects linked to the NSTC, the Chabahar port, has not had the desired progress (Jacob, 13.09.2011). Up until this date however, it seems that India intends to go ahead with the developments of the NSTC.

5.3.1 Resources considerations

'Resources considerations' is at the centre of this case as well. Both trade- and energy security are pivotal motivations behind India's involvement in the project. The first variable is 'energy concerns'. Here the Chabahar port, which is part of the planned NSTC, is crucial. The Chabahar port gives India access to oil and gas resources in Iran (Singh Roy, 2012, p. 960). Central Asia holds 2.7 per cent of the world's confirmed oil deposits and 7 per cent of the world's known natural gas deposits (Jaffe, 04.1998). Hence, securing access to this region through the Chabahar port and the rest of the NSTC-related developments has long figured in India's plans (Singh Roy, 2012, p. 958).

The second variable is 'trade considerations'. This is especially important in this case as the NSCT would give India access to the Central Asian market and even further to the Northern European market (Singh Roy, 2012, p. 958; Spector, 2001). Iran can thus function as a gateway to Central Asia and both Iran and India have been working on developing various sea, land and rail transportation projects aimed at connecting India to Central Asia and Europe. One of these projects is the Chabahar port. It is not only important strategically, but has the potential to connect the growth centres in South Asia, including India, to the Middle East and Central Asia (Singh Roy, 2012, p. 958).

The Chabahar port currently has a capacity of 2.5 metric tons (MT) capacity per annum (Singh Roy, 2012, p. 958). The capacity is expected to increase to 20 MT per annum in 2020 (Dash, 26.08.2012). The Iranian Government has made Chabahar port into a Free Trade and Industrial Zone adjacent the city of Chabahar. The port of Chabahar offers several incentives for foreign investors such as the possibility to 100 % own companies within the zone; duty free export from the zone to the mainland; Government protection and guarantee of foreign capital investment; no need for a visa before entering the Free Trade Zone; repatriation of capital and gains from activities in the zone; rules within the zone are in accordance with those of the World Trade Organisation (WTO) and; discounts on terminal handling charges, port operating charges, and road tolls (Singh Roy, 2012, pp. 963, 964).

India is also interested in investing in a railway project that will link Chabahar with Bam in Afghanistan. The route will reduce the distance from India to Central Asia by 1500 kilometres (Singh Roy, 2012, pp. 960, 961). In a speech in July 2010, India's foreign secretary Nirupama Rao stated:

“Our vision of Afghanistan as a hub for economic activity, trade and transit linking South and Central Asia is shared by the Iranian side. (...). I would like to mention, in particular, the Chabahar Port Project, and the need for accelerating our joint efforts to fully realize the potential of the Port as well as the associated railway project. These are projects that are in the common interest of India, Iran and Afghanistan, but also the countries of Central Asia. (...). This project is thus at the heart of the common vision that India and Iran have for Afghanistan and the region as a whole, of increased and easier flow of goods, and creation of a network of transport routes and energy pipelines that will bind our people together in an arc of stability, prosperity and peace” (Rao, 05.07.2010).

The Chabahar port will also facilitate Indian mineral imports from Afghanistan (Dash, 26.08.2012). It will enhance trade between India and Iran as well. In general, the Chabahar port opens up several areas for cooperation including the development of “the port, railways, airport, petrochemical plants, power plants, heavy industries, steel and aluminium smelting plants, ship manufacturing and repair, transiting commodities and distribution, and re-export to the region” (Singh Roy, 2012, p. 961).

The Chabahar port is just one part of the development of the North South Transport Corridor. The potential of the corridor is huge. Not only India, but Burma and Thailand may be connected to the corridor as well boosting trade between South Asia and Europe. The NSTC is 40 per cent shorter and 30 per cent cheaper than the current route (Singh Roy, 2012, p. 962). Today, the route goes through the Suez Canal, into the Atlantic and further up to the North Sea and the Baltic ports. Russian analysts predict that the NSTC-route will reduce the delivery time by 10-20 days and the cost per container will decrease by \$400- \$500 (Spector, 2001).

The NSTC route thus carries with it huge a potential for India when it comes to both trade and energy. With it, India can reach new markets in a shorter and cheaper way. There are thus plenty of incentives for India to participate in the developments of the corridor, and especially the development of the Chabahar port and the railway systems leading from it. The Chabahar Free Trade Zone also provides India with incentives to invest in Iran. One can thus assume that the ‘resources considerations’ affects India’s room of manoeuvre in pushing it in the direction of tying closer bonds with Iran.

5.3.2 Regional considerations

The first variable is ‘Pakistan concerns’. The first indicator is if Pakistan is directly involved in the case. The answer is no, but Pakistan is nevertheless very important when it comes to the North South Transport Corridor. A big motivation for India to develop the NSTC is that it will bypass Pakistan (Pant, 2008, p. 120). This brings us to the second indicator if the NSTC will put India in a strong or weak position vis-à-vis Pakistan. Through the Chabahar port and the connected Iranian railway leading to Central Asia and Europe, Pakistan would become marginal to India’s relationship with these regions. “India’s relations with Central Asia would thus no longer be held hostage to the policies of Islamabad” (Pant, 2008, p. 120). This is thus in contrast with both the IPI project and the TAPI project that both run through Pakistan. The Chabahar port is of particular strategic importance (Singh Roy, 2012, p. 960). The Chabahar is geographically close to Pakistani waters and located only 72 km west of Gwadar⁸ (Jaffrelot, 07.01.2011). The NSTC would thus strengthen India’s position vis-à-vis Pakistan.

⁸ See Image 1 in the Appendix

The Chabahar port is also central in the discussion pertaining to the second variable, namely China concerns. Like Pakistan, China does not play a direct role in the North South Transport Corridor, but one can assume that China plays a part in India's motivation for developing the route and especially the Chabahar port as part of India and China's geo-political competition in the region. The aforementioned Gwadar port is a Chinese funded development (Fazl-e-Haider, 07.10.2012). On February 18th 2013, Pakistan formally gave the contract for operating the Gwadar Deep Seaport to China. The Pakistani President stated that Gwadar would become a trade hub which may bring together the countries in Central Asia and which is a stepping stone in Pak—China relations. He also talked about plans to develop a trade corridor linking the Xinjiang region in China with the Middle East through the Gwadar port, which is of great strategic importance to China who imports around 60 per cent of its crude oil from the Gulf countries (APP, 18.02.2013). Both Chabahar and Gwadar may eventually be connected to the oil- and-gas-rich Central Asian states of Kazakhstan and Turkmenistan, as well as Azerbaijan (Kaplan, 2009, p. 23). Pakistan and China thus have similar ambitions with the Gwadar port as India and Iran have with the Chabahar. These developments and geopolitical competition have therefore been called the 'new great game' (Fazl-e-Haider, 07.10.2012).

The development of the Gwadar port is not only about resources but also has a geostrategic purpose. Gwadar gives the Chinese direct access to the Indian Ocean, as well as a post for observations and a key location for its navy (Jaffrelot, 07.01.2011). This is part of China's 'string of pearls' strategy for the Indian Ocean which consists of putting in place a series of ports in friendly countries. This strategy has been unnerving for the Indians who fear that it is being encircled by the Chinese, and has responded by further developing its own port Karwar in Goa and the Chabahar port. The Indians' assistance in developing the Chabahar port in 2002 started shortly after the Chinese began the work at Gwadar (Jaffrelot, 07.01.2011; Kaplan, 2009, pp. 22, 23).

The North South Transport Corridor will run through Tajikistan and this country is central when it comes to India's concerns about China and Pakistan. In Tajikistan, India has developed its first and only foreign military base; the Ayni Air base. Between 2002 and 2010, India has spent around \$70 million to renovate the airbase (Sharma, 26.10.2012). Tajikistan has a strategically favourable position that has drawn India to the country. Tajikistan shares borders with China, Afghanistan, Uzbekistan and Kyrgyzstan. Only a narrow stretch of Afghan territory separates Tajikistan from the Pakistani part of Kashmir. The air base gives

India a possibility to project power in Central Asia. To counterbalance the Indian move in Tajikistan, China is taking steps to improve Sino—Tajik relations (Ramachandran, 14.08.2006). As we have seen, India's interest in Central Asia is also strongly motivated by regional, geo-strategical reasons. The Ayni Air base is not directly linked to the NSTC, but it is situated in a NSTC- country and serves to illustrate the importance of Central Asia in the competition between the powers in Asia and India's ambition in the region. Developments, such as the NSTC, are thus very important in bringing India closer with the Central Asian countries. The many regional incentives are thus assumed to affect India's room of manoeuvre in that it pushes India to continue the developments of the NSTC.

5.3.3 Domestic considerations

The first variable here is 'sub-national group considerations' and the indicator is Shiite reactions. I have found no data on statements from the Indian Shiite population concerning the NSTC. The second variable is political opposition considerations and the first indicator is Government constellation. As with the IPI Pipeline Project, the actions and developments surrounding the NSTC project stretches over a period which includes several general elections. There have thus been political changes in this period of time. The agreement on the NSTC was signed in September 2000 by Iran, India and Russia and ratified in May 2002 (Singh Roy, 2012, p. 961). The Indian Government at the time consisted of an NDA alliance led by the BJP after the BJP won the majority of the seats in the 1999 general election (Indian Election Affairs, N.D.^B). The then Minister for Surface Transport, Rajnath Singh, signed the agreement for India in 2000 (Radyuhin, 13.09.2000). Mr. Singh is currently the president of the BJP (The Hindu, 23.01.2013). The NDA alliance was in Government until the defeat to the UPA in the 2004 general election and again in 2009. NDA was thus still in Government when India started assisting Iran in the development of the Chabahar port in 2002 (Jaffrelot, 07.01.2011). As outlined in connection with the two previous cases, the UPA, with the largest party the INC, won the elections in 2004 and 2009. After the 2009 election the Government was strengthened. It seems that the UNP has picked up where NDA left off with regard to the NSTC. For instance, a meeting on moving forward with the NSTC was held in January 2012 in New Delhi (Singh Roy, 2012, p. 963).

With regard to the next indicator, the opposition's response and reactions, it seems that the current Government is backed by the majority of the opposition. Domestic considerations

should therefore be expected to affect India's room of manoeuvre in pushing India in the direction of going ahead with the NSTC project, which the Government seems to have done. The third indicator, the Government's response, thus seems to be in accordance with the wishes of the opposition. Hence, domestic opposition has affected India's room of manoeuvre in the direction of proceeding with the NSTC developments.

5.3.4 Global considerations

The last variable is U.S. influence. Also with regard to the case of the NSTC, the U.S. has marked its opposition and has proposed an alternative trade route for India called the 'New Silk Road' (Overdorf, 01.06.2012). In contrast to the two previous cases however, India has seemed less willing to adhere to U.S. wishes.

Bilateral exchanges

The first indicator is bilateral exchanges. The U.S. has, as discussed, worked to isolate Iran. It has done so in part by imposing increasingly harsher sanctions on Iran. In 2010, President Obama signed the 'Comprehensive Iran Sanctions, Accountability, and Divestment Act' which punishes companies and individuals who assist the Iranian petroleum sector (The Library of Congress, 2010). Meanwhile, the U.S. has continued to put pressure on India to cut ties with Iran, for instance by cutting Iranian oil imports. During a visit to India in May 2010, then US Secretary of State Hillary Clinton continued to browbeating India on Iran and calling Iran a terrorist state (Overdorf, 10.05.2012).

India's response has not been as accommodating as the U.S. would have wished. India has complied with the UN sanctions against Iran, but has been less willing to comply when it comes to the U.S. - and EU sanctions (The Hindu, 09.05.2012). In February 2012, India's Finance Minister Pranab Mukherjee rejected the Obama administration's pressure to join the US-EU led sanctions against Iran (Bedi, 01.03.2012). In February 2012, the Indian Government also expressed that it wanted to exploit the possibility opened up by the sanctions to increase exports to Iran and that it would send a large business delegation to Iran for assessing the opportunities. A Government source was reported saying "if Europe and the US want to stop export to Iran, why should I (India) follow the suit. Why shouldn't we tap that opportunity" (The Times of India, 10.02.2012). Later that year, in May, the then Indian Minister of External Affairs S.M. Krishna stated that India would not allow the sanctions to

affect India's 'legitimate trade interests'. Earlier that same week India confirmed that it would continue to pursue the developments of the NSTC (Overdorf, 01.06.2012).

It is especially oil imports from Iran that the U.S. wants India to stop. India holds that it will only abide by UN sanctions which do not cover crude oil exports. It will not abide by sanctions imposed by individual countries (Bedi, 01.03.2012; The Hindu, 09.05.2012). However, the sanctions still complicates Indian investments and exports from Iran. The U.S. has increased the pressure on foreign companies to cut ties with Iran. Major companies have cut their affiliation with Iran. In 2010, the US Government Accountability Office named five Indian companies on a list of 45 firms who have aided Iran's oil and gas industry. Three of these companies were state-owned. One company, Reliance Industries, had to back out of trading with Iran after having been subjected to U.S. pressure. New Delhi has so far avoided the issue, but this demonstrates the increasing pressure and difficult choices India will face when the confrontation between the U.S. and Iran intensifies (Singh Roy, 2012, p. 969).

The pressure Clinton put on India during her visit, concerning its relationship with Iran was met with criticism from several Indian commentators. Former Indian Foreign Secretary Kanwal Sibal said that Clinton had "overplayed her hand on Iran" and that "I don't think it sits well with the larger political establishment in New Delhi" (Overdorf, 10.05.2012). A former Secretary in the Ministry of External Affairs, Rajiv Sikri, emphasised that the strategic partnership with the U.S. is not strong enough for India to abandon its relationships with other countries. He claimed that if the relationship with China turns hot, India cannot rely on the U.S. to back it and that India therefore cannot be burning its boats with countries such as Iran. He also claimed that India's partnership with the U.S. will never be like the one the U.S. has with Japan or similar countries, and that the U.S. will not provide the sort of security umbrella that it has in its relations to these countries (Overdorf, 01.06.2012).

As one can see, the U.S. influence attempts have been somewhat weaker than in the other two cases; when it comes to the votes in the IAEA and the IPI Pipeline Project, India could issue a threat of putting the Nuclear Deal off the table. However, with regard to the NSTC, several of the events surrounding this project happened before and after the Nuclear Deal was initiated and signed. The U.S. has thus not been able to use this deal as leverage against India. Hence, most of the U.S. pressure has consisted of the U.S. simply expressing to India that it wants India to comply with the U.S.-EU sanctions and stop trading with Iran. India has expressed that it will act in accordance with its own national interest even if those interest are not in

harmony with those of the U.S. India has made similar claims with regard to the two previous cases, but this time the rhetoric suits India's actual actions.

With regard to tactics and signals, I have not found any statements by Indian officials telling the U.S. about the importance of appearing to follow an independent line of policy, as it did according to the Wikileaks cable from 2008 (Rajiv, 2011, p. 825). India has not denied that the U.S. is important. Yet statements, such as those made it by Rajiv Sikri, express that the relationship with the U.S. is not enough for India and that it needs to tie and maintain bonds with other countries, even if it is not to the U.S. liking. If such statements are examples of tactics to attempt to downplay the importance of the relationship is uncertain. They might be just legitimate and honest concerns.

Alternatives

The next indicator is alternatives. As discussed before, neither India nor the U.S. has an alternative relationship that it can focus on. Since this is the case for both countries, neither country's bargaining power is strengthened relative to the one of the other part. The U.S. knows that India wants to preserve the relationship, but so does the U.S. With regard to alternative actions, the U.S. has again made a proposition to India. The U.S. has suggested that India should focus on developing 'the New Silk Road' which bypasses Iran (Overdorf, 01.06.2012). The U.S. wants to develop a trading network that will link Afghanistan, Central Asia and Europe (T. Maini, 2012, p. 651). According to Hillary Clinton, "the plan now is to transform Afghanistan from a blank spot on the world's trading map to a "crossroads of economic opportunities going north and south and east and west"" (Philps, 25.05.2012). The old Silk route connected East, South and Western Asia with Europe and parts of Africa⁹. The old route also included Persia (Iran) (Maini, 2012, pp. 651, 652).

The project could be dubbed the brainchild of the U.S. The U.S. began to seriously consider the project in 2009 as a way to ensure stability of Afghanistan after the U.S. forces withdraw in 2014. The TAPI Pipeline Project is an integral part of the project (Maini, 2012, p. 653). India has expressed its commitment to the project. However, there are certain obstacles to the 'New Silk Road'. Firstly, the project is viewed as an American idea that lacks credibility. Also, Russia has been sceptical of the U.S. agenda; China has sketched its own version of the

⁹ See image 3 in the Appendix

Silk Road; Pakistan is also sceptical of the ‘American Construct’; and lastly, the relationships between the Central Asian countries are shaky and trade agreements in the region are thus fragile (Ibid, p. 655). The original Silk Route originally eroded as a trade route because it became more reliable to transport goods by sea and because of the dangerous and unstable region the route went through. With regard to the stability of the region, the picture is not as gloomy today, but there is more distrust than amity in the region (Philps, 25.05.2012). There is also the problem of Iran, which has been sidelined in the U.S. plans (Maini, 2012, pp. 654, 655). Iran was an important part of the old ‘Silk Road’ and Iran is also a crucial neighbour of Afghanistan; a country with which it shares long cultural and linguistic bonds. Iran harbours more than 1 million Afghan refugees; a number that could rise if the situation in Afghanistan worsen. It is therefore difficult to exclude Iran from the table on the ‘New Silk Road’ and the solution to the situation in Afghanistan (Philps, 25.05.2012).

It seems likely that if the U.S. successfully develops the project, India might benefit from participating in it. However, given the obstacles to the project, it would hardly be wise for India to abandon the development of the NSTC and focus on taking the leadership in the development of the ‘New Silk Road’ instead. The NSTC also has the clear advantage of being connected to ports in Iran, especially considering the ‘String of Pearls’- strategy of China. It might therefore be difficult for the Americans to convince India to shift its focus from the NSTC to the ‘New Silk Road’.

Commitment

How committed is India and the U.S. to their preferred outcome of the issue? The issue is the NSTC. The preferred outcome for India is presumably continued development of the NSTC and for the U.S., the preferred outcome is that India does not further develop the NSTC and instead focus more on the ‘New Silk Road’. India’s actions in the case of the NSTC demonstrate a commitment to its preferred outcome. Despite international pressure, India has continued to engage with Iran and develop the NSTC. Given the number of incentives to carry on with this course of action, India’s commitment to the NSTC is as expected. All the categories of concerns discussed above, except for global concerns and U.S. pressure, strongly push India in the direction of going through with the project. The incentives are both of a strategic and economic nature and concern both trade and oil and gas exports. With regard to tactics and bargaining power, the same goes with the case of the NSTC as with the

IPI Pipeline Project. India does not want anything from the U.S. and what the U.S. wants is to dissuade India from doing something. It is hard to see how India's commitment could strengthen the U.S. bargaining power when the U.S. is not in a position to offer anything.

With regard to U.S. commitment, the case becomes a bit more complicated. The U.S. wants, on the one hand, to isolate Iran and has attempted to do this by imposing severe sanctions on the country and pressuring other countries to do the same. On the other hand, however, the U.S. also wants to leave an Afghanistan in 2014 that will be on the road to stability and economic growth. For this to happen, Iran will most likely have to play a part. An example of this dilemma is found when it comes to the Chabahar port. India, Iran and Afghanistan signed an agreement in 2003 on connecting the three countries by building a road from the Chabahar to Afghanistan as well as railway projects. Half of Afghanistan's oil imports come from Iran and having access to a port is also vital for the country (Prashad, 28.08.2012). The U.S. has recognized the importance of the linkages between these three countries and also that it is impossible to provide Afghanistan with all its needs by air delivery (Prashad, 28.08.2012). In the aforementioned conversation between the U.S. Ambassador Mulford and Indian Foreign Secretary Menon in 2008, Menon emphasised the need for India to work with Iran to deal with Afghanistan (Wikileaks, 01.05.2008). In addition, the U.S. actually supported the agreement between India, Iran and Afghanistan on the developments of the Chabahar port (msn NEWS, 28.08.2012). Full isolation of Iran would therefore run contrary to the U.S. aim of ensuring Afghanistan's future growth. India is most likely aware of the contradictory nature of U.S. aims which might make it easier for them to defy U.S. pressure and go ahead with the NSTC, knowing that it will facilitate the achievement of another of the U.S. goals. This might hamper any negative consequences India's actions might have on the future Indo—U.S. relationship.

5.3.5 Assessment of the theoretical assumptions and the case

The first general theoretical assumption is that there is a conflict of interest between India and the U.S. with regard to the case. As with the IPI Pipeline Project, in the case of the NSTC the answer is both yes and no. As discussed above, India's actions are both in opposition to and in accordance with two contrasting U.S. aims; the one is to isolate Iran; the other is to facilitate growth in Afghanistan. Especially with regard to the developments surrounding the Chabahar port and the links from the port to the Afghan border, the U.S. has been more hesitant in its

opposition. However, the U.S. has expressed a clear wish for India to cut ties with Iran and reduce Iranian oil exports. This is marked by its pressure on India to impose stricter sanctions on Iran in line with those imposed by the U.S. India's continued development of the NSTC is not in accordance with these wishes, and one can therefore say that there does indeed exist a conflict of interest.

The second assumption is that the two states' powers are subjective and related to their interdependence. In this case, as with the two previous, there have been no threats of use of hard power. The U.S. has put pressure on India by expressing the wish that India should cut ties with Iran. In contrast to the two previous cases however, the events surrounding the project occurred mainly before the plans for the Nuclear Deal had begun, and after it was ratified, and the U.S. can thus no longer use the deal as leverage. Whether India's actions will harm its future relationship with the U.S. is therefore more uncertain and unstated. It is possible that that may be the case, but because India has not adhered to the U.S. requests as it has before, one can assume that the U.S. influence, or subjective power, over India is weakened, at least with regard to the NSTC. Due to the lack of an alternative relationship for the U.S. in Asia and the U.S. contradictory aims in the region, India might have assumed that its actions would not damage the future of the Indo—U.S. relationship in a severe way. In the case of the NSTC, U.S. pressure does not appear to have constrained India's room of manoeuvre enough for India to choose a course of action in line with the U.S. wishes.

The third general assumption is that the interactions between the two countries are in accordance with the Dependence Model and that they both have a stake in preserving the relationship. The empirical findings are to a large degree in accordance with the model. As discussed above, the U.S. influence attempts are not related to hard power. The Americans have expressed their wishes to isolate Iran but they do not have a clear pressure tool or leverage such as the Nuclear Deal, nor does there exist an alternative to the NSTC that is equally favourable and feasible. There is also confusion about the U.S. commitment against the NSTC because of its aims in Afghanistan. These factors combined with the great number of incentives for going ahead with the project might have led India to choose not to adhere to U.S. wishes and continue developments of the NSTC.

With regard to Singer's Inter-Nation Influence Model, the U.S. influence attempts are future oriented and directed at dissuading India from engaging with Iran. There is an element of persuasion as well because the U.S. wants India to focus more on the 'New Silk Road'

instead. The U.S. influence attempt is directed at modifying India's behaviour by having it turn away from developing the NSTC. Because the 'New Silk Road' is not considered a viable alternative, I disregard the attempts to reinforce India's behaviour by having India focus more on the 'New Silk Road' instead. U.S. influence attempts have not taken the form of a clear 'threat', as with the threat of abandoning the Nuclear Deal if India would not comply.

The next assumptions concern the utility and disutility of the different alternative actions. Since India has chosen to go ahead with the developments of the NSTC project one can assume that the utility of the NSTC is higher than the alternative; namely to shift focus away from the project. The positive consequences are: a) more trade with Central Asia and further with Northern Europe (+), b) the trade routes to these regions will be shortened which will reduce costs (+), c) it will give India more access to oil and gas resources (+), d) it will provide access to the Chabahar Free Trade zone (+), e) it will help stabilize and facilitate growth in Afghanistan (+), f) it will make India capable of bypassing Pakistan while gaining access to Central Asia (+), g) the Chabahar is a counter-move to China's 'String of Pearls'-strategy and involvement in the Gwadar port in Pakistan (+), h) it will please the opposition (+). The negative consequence is: i) the U.S. will be displeased and the actions will possibly harm the future of the Indo—U.S. relationship (-).

There is thus an overwhelming amount of positive consequences compared to negative ones. Seeing as the 'New Silk Road' is not considered an alternative that could be likely to work as a substitute for the NSTC project, the alternative action for India would be to shift focus away from the NSTC without being able to replace the project, at least not for now, with a substitute that would give an near equal amount of benefits. The positive consequences of the alternative action of shifting the focus away from the NSTC project would be that it would please the U.S., while the negative consequences would be the loss of all those positive consequences linked to going through with the NSTC- developments.

From the utility scores listed above, it is not hard to see why India has chosen to go ahead with the developments of the NSTC. The positive consequences completely outnumber the one bad consequence; U.S. disapproval. As we have seen, the U.S. influence attempt has not been as strong in this case as in the two previous ones, partly due to lack of leverage and contradictory commitments, and the U.S. has therefore not been able to constrain India's room of manoeuvre enough for India to choose to adhere to its wishes. This is in accordance

with Habib's notion of issue-specific power balance; in this case the overall distribution of economic and military capability was rendered irrelevant. This is in accordance with the case-specific assumptions listed in section 3.3.1.

6 Concluding discussion

I can now go through the findings from the three cases and see if they can provide some general insights into the degree of U.S. influence and an answer to the research question posed at the beginning of the thesis. What is the degree of U.S. influence on India's room of manoeuvre with regard to Iran? Under what conditions does U.S. influence seem to be most effective and what is the nature of the influence attempts? As discussed in the methodology chapter, one has to be careful about drawing too certain conclusions on the basis of only three cases. Nevertheless, the cases are different examples of diverse and important situations that India has found itself in and can provide us with some ideas as to how India might react in similar situations.

The first general assumption is whether there exists a conflict of interest. In all three cases, there has been a conflict of interest of some sort, yet to a varying degree. In general, with regard to all three cases, the U.S. wants India to distance itself from Iran, which is not in India's general interest. In the case of the votes against Iran in the IAEA, the negative consequences of abiding by the U.S. wishes with regard to the relationship with Iran are minimal. The conflict of interest for India was smaller than if a larger array of Indian interests were involved and the stakes were higher. In the case of the IPI Pipeline Project, the conflict of interest was bigger because the case involved energy security which is at the top of India's agenda. The conflict of interest was however reduced by the existence of a U.S.- backed alternative pipeline, the TAPI Pipeline Project.

When it comes to the third case, the NSTC, the conflict of interest has been greater. There is a large array of interests involved and India has a number of incentives to continue the development of NSTC- connected projects. There is thus a definite conflict of interest between India's interests in the NSTC project and the U.S. goal of isolating Iran. The conflict is somewhat reduced by the U.S. conflicting goal of ensuring growth in Afghanistan which the NSTC could contribute to.

The second general assumption concerns whether the states' power is subjective and related to their interdependence and future relationship. This appears to be the case. The use of hard power is not an option with regard to the U.S. and India. Both when it comes to the votes against Iran in the IAEA in 2005 and 2006 and the IPI Pipeline Project, the U.S. power,

meaning U.S. ability to influence springs from threats of abandoning the Nuclear Deal thus harming the future of the Indo—U.S. relationship. Also by generally marking strong opposition towards India's engagement with Iran, the U.S. can make India concerned about what other negative consequences a potential defiant action might have on their future relationship. When it comes to the last case, the NSTC, the U.S. seems to have less subjective power, in the sense that its attempts to influence India have been less successful. In this case, the U.S. has not been able to use the Nuclear Deal as leverage, which might have affected its ability to influence in a negative way.

With regard to the tactic of trying to downplay the importance of the other party in order to decrease the power that party has over you, such tactics do not appear to have been of any significant presence. Two Wikileaks cables indicate that India has been open with the Americans about its need to be seen to follow an independent foreign policy in order to please the domestic constituency. It is unlikely that India would be this honest with the Americans if it attempted to apply tactics of downplaying the importance of the U.S. In the case of the NSTC, India has stated that its relations with the U.S. is not enough and that it needs to maintain ties with other countries, but it is plausible that these are just honest concerns and not tactics.

The third general assumption is if the Indo—U.S. relations are in accordance with the Dependence Model. This generally appears to be the case. The influence attempts are linked to the future of the Indo—U.S. relationship, and in the first two cases, the Nuclear Deal. Regarding alternatives, neither country has an alternative relationship that could fill the gap if the other party were to cut ties. In other words, the U.S. and India need each other. This means that India has to take the U.S. into consideration when making choices concerning Iran, but it also means that the U.S. cannot credibly threaten to completely cut ties with India due to a defiant action. If it was only India that needed the U.S. but the U.S. could replace the relations with India with those of another country, then the U.S. could to a much larger degree threaten to cut ties with India if India did not act in accordance with U.S. wishes. This is not the case, and the two countries thus have leverage over each other. Both countries are most likely aware of this and India's leverage precludes any possibility for the U.S. to fully dictate Indian foreign policy.

The existence of alternative actions also appears to be central to the effectiveness of U.S. influence, and the constraints U.S. considerations put on India's room of manoeuvre. When it

comes to the votes against Iran in the IAEA, the number of alternatives is naturally limited and none of the alternatives would solve the issue without having negative consequences. In the other two cases, alternatives can exist. An alternative exists in the case of the IPI Pipeline Project but not when it comes to the NSTC. With regard to the IPI Pipeline Project, the existence of an alternative might have been the pivotal factor that made India shift its focus away from the project. Several concerns are linked to both the IPI Pipeline Project and the alternative TAPI Pipeline Project. Still, it is plausible that the U.S. backing of the latter have been central in increasing the utility score of the TAPI pipeline and making India focus on that project, although one cannot rule out that the disagreements over costs really had an important impact on India's decision. In contrast, there is no present, credible and equally beneficial option to the NSTC. The U.S. has been pushing for the development of a 'New Silk Road' but there are several obstacles to the project that make it very unlikely that India will abandon the NSTC and focus on the 'New Silk Road' instead. The lack of an alternative might have contributed to the U.S. lack of successful influence attempts, hence making India proceed with the project.

The third indicator derived from the Dependence Model is commitment. This might be the part of the model that is the least relevant with regard to the three cases, but it can still provide some useful insights into the dynamics of Indo—U.S. relations with regard to Iran. The indicator regards the parties' commitment to their preferred outcome and postulates that an explicitly strong commitment to an outcome weakens the party's bargaining position. In the first case of the votes in the IAEA, the U.S. wants something from India, namely to persuade India to vote against Iran. The U.S. is strongly committed to this and has the leverage to push for it, and its bargaining position does not appear, contrary to the model's assertion, to be weakened by its commitment. India on the other hand, does not have a strong commitment to either alternative action.

In the case of the IPI Pipeline Project and the NSTC, the U.S. commitment is to dissuade India from committing a certain action. India on the other hand is committed to securing its economic and strategic interest one way or the other. Because India's commitment does not concern having the U.S. make concessions, the assertion of commitments impact on bargaining power is rendered irrelevant. If India was very committed to acquiring something from the U.S. and the U.S. knew this, then the U.S. could sell at a high price and vice versa, especially if neither party had a specific source of leverage over each other. In these cases

having a strong commitment to an outcome can on the contrary increase one's bargaining power. When it comes to India, demonstrating a commitment to ensuring its vital interest, such as in the case of the NSTC, might signal to the U.S. that India has legitimate needs that it will work to fulfil, even though it might run contrary to U.S. interests. India's 'selfish' pursuit of its interests in the region is something the U.S. must occasionally accept, especially since the U.S. does not have an alternative relationship as discussed above. This does not mean that India does not value its ties with the U.S. and can never be accommodating to the U.S. wishes. It is however, not willing to let itself be dictated by the U.S.

The commitment of the U.S. also appears to matter. When the U.S. has an undivided commitment to a preferred outcome, this seems to strengthen its bargaining position over India such as in the case of the votes against Iran in the IAEA in 2005 and 2006. Such a commitment increases the possibility that a defiant action on India's part may have negative consequences on the future Indo—U.S. relationship. When the U.S. have contradictory goals and commitments, such as in the case of the NSTC, the U.S. bargaining position appears to be weaker as an action by India might run contrary to one of the U.S. regional goals, but has a positive effect when it comes to another of the U.S. goals. Such a scenario might make India assume that its actions will not have severe negative consequences on the future Indo—U.S. relationship.

The next assumptions are derived from Singer's Inter-Nation Influence Model. All of the U.S. influence attempts are future-oriented. In the case of the votes in the IAEA, U.S. influence attempts are directed at persuading India to vote against Iran, while in the case of the IPI Pipeline Project and the NSTC, its influence attempts are directed at dissuading India from engaging with Iran. When it comes to attempts to modify or reinforce behaviour, in the case of the votes in the IAEA none of these two influence attempts are relevant, as the case concerns a single action. In the case if the IPI Pipeline Project, the influence attempts are directed at both modifying and reinforcing; the U.S. wants to modify India's behaviour by making it shift focus away from the IPI Pipeline Project, and reinforce its commitment to the TAPI Pipeline Project. In the case of the NSTC project, the influence attempt is mostly directed at modifying India's behaviour by having them turn away from the NSTC developments. The NSTC linked influence attempts are also the least successful, although one cannot, on the basis of only two cases, draw conclusions about whether reinforcement influence attempts generally have a higher chance of being successful than modification

influence attempts. It is however a possibility that if the U.S. wants to modify India's behaviour by trying to dissuade it from committing an action, and not reinforcing it to commit another, then the influence attempt is less likely to be successful. It is logical that it is more difficult to modify behaviour than it is to reinforce an existing behaviour.

The various scores of the different cases, when it comes to the various assumptions and indicators, are listed in the table below.

	Votes in the IAEA	IPI Pipeline Project	North South Transport Corridor
Conflict of interest	Yes	Yes	Yes
Subjective power	Yes	Yes	Yes
Alternative relationships	No	No	No
Alternative solution to the conflict of interest	--	Yes	No
U.S. commitment to its preferred outcome is undivided	Yes	Yes	No
Influence attempts directed at modifying behaviour	--	Yes	Yes
Influence attempts directed at reinforcing behaviour	--	Yes	No
Existence of specific source of leverage	Yes	Yes	No
Energy interests involved	To a small degree	To a very large degree	To a large degree
Trade interest involved	To a small degree	To some degree	To a very large degree
Pakistan concerns involved	To a small degree	To a large degree	To a large degree
China concerns involved	To a small degree	To some degree	To a large degree
Domestic opposition against adhering to U.S. wishes	To a large degree	To some degree	To a large degree

From this overview one can see that the three cases score the same on the first three indicators. With regard to the existence of alternative solution to the conflict of interest, only the IPI Pipeline Project scores positively and when it comes to undivided commitment and the existence of a specific source of leverage (the Nuclear Deal) only the NSTC project scores negatively. The NSTC project is also the only one not directed at reinforcing behaviour. When it comes to the concerns involved, one can see that both resources-, regional and domestic concerns are involved in the largest degree when it comes to the NSTC project, to a large degree with regard to the IPI Pipeline Project, but only in a smaller degree when it comes to the votes in the IAEA.

If the cases are good indications of whether, when and how U.S. influence appears to be effective, one can look at the differences between the three cases and the differences in the value of the dependent variable, namely India's actions and whether they are in accordance with the U.S. preferred outcome. U.S. influence attempts have been present in all three cases, but only appear to be effective in the case of the votes against Iran in the IAEA, possibly also in the case of the IPI Pipeline Project, but does not appear to have been effective in the case of the NSTC. From the findings discussed above, U.S. influence attempts appear to be more likely to be successful when the number of alternatives is naturally limited, such as in the case of the votes in the IAEA, the U.S. commitment is undivided, the U.S. has a specific source of leverage and a small amount of interests are involved in the decision. Similarly, U.S. influence attempts are more likely of being successful if there are alternative solutions to the conflict of interest, U.S. commitment is undivided and the U.S. has a specific source of leverage, such as in the case of the IPI Pipeline Project. It appears that U.S. influence attempts are less likely to be successful when there are no alternative solutions to the conflict of interest, the U.S. commitment to its preferred outcome is divided, the U.S. does not have a specific source of leverage such as the Nuclear Deal, the influence attempt is directed at modifying behaviour rather than reinforcing it, and a large array of interests or incentives are involved.

The answer to the research question: *“To what degree has U.S. influence put constraints on India's room of manoeuvre when it comes to Iran? What explains India's actions with regard to the votes in the IAEA in 2005 and 2006, the Iran—Pakistan—India Pipeline Project and the North South Transport Corridor?”* then becomes: U.S. influence has to some degree put constraints on India's room of manoeuvre. U.S. influence can explain India's actions in the

case of the votes against Iran in the IAEA in 2005 and 2006, and possible also in the case of the Iran-Pakistan-India pipeline project. However, U.S. influence does not explain India's actions in the case of the North South Transport Corridor.

A peek forward

As discussed, one should be careful about generalising on the basis of only three cases. Still, the Dependence Model and the findings discussed above might provide us with some indications of how India might behave with regard to the U.S. and Iran in the future. If the possession of a specific source of leverage such as the Nuclear Deal is central to the U.S. being able to successfully influence India, then the loss of the Nuclear Deal as leverage might have consequences when it comes to the IPI Pipeline Project. The consolidation of the gains from the Nuclear Deal might have opened up India's room of manoeuvre. India has put the IPI Pipeline Project on the backburner, possibly to please the U.S., but it has never put the project completely off the table (rediff.com, 26.05.2009). If the U.S. cannot hold the Nuclear Deal over India's head, and if the TAPI Pipeline Project appears to be a less and less feasible alternative source of gas supply, then India might decide to revive its participation in the IPI Pipeline Project. One of the big roadblocks for the project has been costs. The strict sanctions imposed on Iran might however make the Iranians more and more desperate to secure opportunities to sell their oil and gas. This may lead them to be more willing in new rounds of negotiations with India over the costs of supply.

The dynamics of the Indo—U.S. relationship may however be affected by the developments in shale gas production. Shale gas production has been a success in the U.S. and accounted for 30 per cent of the total U.S. gas production in 2011. It is regarded as a cleaner fuel and has the potential of curbing energy emissions as well as fuelling the power and transportation sectors. U.S. shale gas exports to Asia will strengthen the U.S. leverage and strategic presence in the region (Maini & Manish, 29.03.2013). Although there are certain issues surrounding the shale gas boom, such as environmental problems connected with the extraction of the gas, and that exports may raise the gas prices in the U.S., there is a possibility that the U.S. may export shale gas to India (Maini & Manish, 29.03.2013). Several commentators have pointed out the effects such exports could have on the Indo—U.S. relationship. For instance the CEO in 'Alliance for US India Business', Sanjay Puri stated "Currently, India competes with China and Japan for buying LNG from Qatar and Australia. India is talking to Iran for a gas

pipeline. If we were able to export gas to India, if we can find an economically viable and environmentally clear mechanism, it would do three things. It would create economic opportunity in the US through exports, it would reduce India's dependence on the Middle East for gas, and also build a more strategic relationship based on their desire for energy independence" (The Financial Express, 13.03.2013, pp. 2, 3). If India starts to import shale gas from the U.S., then this might become a specific source of leverage for the U.S. similar to the Nuclear Deal. In turn this can improve the U.S. ability to constrain India's room of manoeuvre.

7 Summary

In this thesis I have investigated the degree of U.S. influence on India's policies towards Iran by looking at three cases where India has had to take a stance on an Iran-related issue under pressure from the U.S. By using a theoretical framework derived from bargaining theory and the Inter-Nation Influence model, and by controlling for other variables by defining India's room of manoeuvre, I have found that the U.S. has to some degree been able to influence India's policies towards Iran. U.S. influence has most likely affected India's room of manoeuvre significantly and can explain India's actions with regard to the votes against Iran in the IAEA in 2005 and 2006, and possibly also when it comes to the Iran—Pakistan—India Pipeline Project. The U.S. does not seem to have affected India's room of manoeuvre significantly when it comes to the North South Transport Corridor project. The U.S. ability to influence derives from the bilateral relationship between the two countries and India's goal of preserving this relationship. In cases where there exist alternative solutions to India's conflict of interest that would bypass Iran; the U.S. commitment to having India turn away from Iran is undivided; the U.S. wants to reinforce an existing behaviour and has a specific source of leverage and; when a small array of interests or incentives are involved, the chances of the U.S. influence attempts being successful are raised. When there is no alternative solution to the conflict of interest that would bypass Iran, the U.S. commitment is divided, the influence attempt is directed at modifying rather than reinforcing existing behaviour; the U.S. lack a specific source of leverage and a large array of interests are involved, then the U.S. influence attempt is less likely to be successful.

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9 Appendix

Image 1: The Chabahar port and the Gwadar port. Image retrieved, 14.04.2013, from: yaleglobal, <http://yaleglobal.yale.edu/content/tale-two-ports>



Image 2: The TAPI - and IPI pipelines. Image retrieved 13.03.2013, from: Transitionistas.com, <http://www.transitionistas.com/2013/03/08/iran-pakistan-pipeline-shows-americas-declining-influence/>

Two Proposed Pipelines in South Asia



Map I • B 2139 heritage.org

Image 3: The Ancient Silk Route. Image retrieved 10.05.2013, from nitibahn.com:
<http://www.nitibahn.com/2013/03/traveling-on-new-silk-route-with.html>

